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Ideas on Liberty

JUNE 1974

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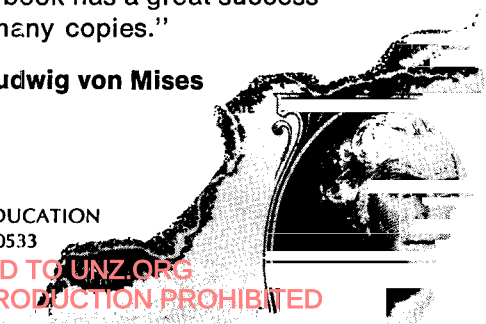
Ludwig von Mises



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VOL. 24, NO. 6 • JUNE 1974

Mises and Fisher on Theory and History — **William H. Peterson** — **323**
Without a proper theory, we are unlikely to learn from history.

Inflation: Harbinger of Monetary Upheaval — **David A. Fyfe** — **327**
The inflation we've exported is coming home to roost as foreign investors buy into America.

Are You Concerned? — **Ernesto E. Blanco, P.E.** — **334**
About the interventions which have precipitated our plight.

The Great Objective of a Free People — **Herbert V. Prochnow** — **338**
Reaffirmng the dignity of man as a creature of Providence.

The Puritan Experiment with Sumptuary Legislation — **Gary North** — **341**
The customs of a society of status give way to economic practices.

Socialism Seeks Its Own Level — **Melvin D. Barger** — **356**
Government intervention brings a harvest of lost liberty.

Another Case History of a Government Failure — **Bernard H. Siegan** — **362**
The sorry record of governmental attempts to build new cities.

Give Thought How You Give — **James C. Patrick** — **365**
There is danger that thoughtless giving may harm rather than help.

Book Reviews: — **371**

"Tradition and Reform in Education" by Stephen Tonsor
"Walter Knott: Keeper of the Flame" by Helen Kooiman
"August 1914" by Alexander Solzhenitsyn
"Hoffer's America" by James D. Koerner
"How to Teach Children **Twice** as Much" by Allan E. Harrison
"How to Tutor" by Samuel L. Blumenfeld
"Our Enemy, the State" by Albert Jay Nock

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Mises and *Fisher* on Theory and History

WILLIAM H. PETERSON

SANTAYANA said those who don't know history will be condemned to repeat it. History, then, must be one of the subjects least known or understood by man, as must be economics. For the drip-drip-drip repetition of government's economic errors over millennia and centuries and even over recent years and months boggles the mind.

Perplexed, one asks, Why? Why does bad history repeat itself while history is there for all to read? For insights we can turn to Ludwig von Mises and Antony Fisher.

Before so turning, consider some evidence on current history gone wrong over the past year or so. First, some errors. Arm-twisting of commercial bankers to notch down their prime rate. Devaluation of the dollar, the second in fourteen months. Meat controls. Export embargoes on soybeans, fertilizers, steel scrap. General price freeze. Oil allocation. Gas rationing in a dozen states. Pressure for a crude oil price rollback. And all this and more is layered over economic policy errors of much longer standing.

Meanwhile, repercussions of these errors abound. Inflation rages. Unemployment rises. Public spending swells. Taxes become increasingly onerous. Partisan recriminations reach a crescendo in an election year. The nation's leading labor organization considers a resolution calling for nationalization of the oil industry.

Again, one asks, Why? Why price-fixing in this day and age, while history records, for example, the mammoth failure of Diocletian's wage-price-fixing Edict of 301 A.D.? Why must the evils of printing press inflation go on today, while Andrew Dickson White's brilliant *Fiat Money Inflation in France* is in print—

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again, there for all to read?* Or why should Britain turn yet another time to a socialist government when the inevitable failure of socialism was abundantly spelled out by John Jewkes' *Ordeal by Planning* and earlier by Ludwig von Mises' *Socialism?**

According to What Theory?

The answer is that there is history and there is history – or, more accurately, there are historians and there are historians. Historians may strive to be objective or factual in recording history. Yet probably, recording history is not their biggest problem – although selecting and arranging, necessarily arbitrarily, the historical facts of man's and nature's myriad acts and happenings is itself quite a problem. The biggest problem, more likely, is in interpreting history, in seeking to give the Why of historical events (which brings to mind Acton's famous "advice to persons about to write history – don't").

The French Revolution of 1789 is a fact, by way of illustration. No denying the fact. But why is it a fact? What factors caused the Revolution? And how much weight does the historian ascribe to Factor A, Factor B, Factor C and so on? Here's where interpretation sets in. Here's where the historians' theories and values inevitably color and shape history books. The Marxist historian, for example, is almost certain to be influenced by the opening idea of the *Communist Manifesto*, namely: "The history of all hitherto existing society is the history of class struggles."

The vital, indeed inescapable, connection between theory and history was a major contribution to economic and historical thought by Ludwig von Mises in his *Theory and History* (Yale University Press, 1957). Theory, this late and deeply missed giant of the Austrian School noted, was critical in unlocking the elusive Why of history. Historical effects are relatively easy to observe; historical causes are much harder to come by, or at least the true causes are.

Many historians and quite a few economists, by way of example, simply write off the Great Depression as the failure of capitalism and completely neglect the impact of monetary expansion and contraction and of massive government intervention by Presidents Hoover and Roosevelt. But these two Presidents were, in turn, counseled by advisers who had presumably studied history. The advisers may well have known the facts of history. But, as Mises

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pointed out, "Behind every fact lies a theory." Did, then, the Presidential advisers know theory or, more particularly, did they know the right theory? Judging from the course of the Great Depression and subsequent events, I am inclined to think they did not.

Who Is Antony Fisher?

Antony Fisher probably feels the same way, as he asks prophetically in the title of his new profound and provocative book, *Must History Repeat Itself?* (Churchill Press Limited, 1974).*

Mr. Fisher has seen as well as studied history, even made history, ever seeking out historical cause and effect. He was born in London in 1915, educated in Eton and Cambridge, served as a fighter pilot in the Royal Air Force, and saw action in the Battle of Britain.

He soon put his cause-and-effect mind to work. He learned of the broiler industry while on a lecture tour in the early 1950's in the U.S.A., and in 1954 established the pioneering mass-production Buxted Chicken Company, which dramatically reduced the price of chicken to the British consumer while making record profits. Mr. Fisher became a leading critic of the theory and practice of the British Government's Egg Marketing Board from 1956 until it was at last repealed in 1969.

In 1955 he founded the highly successful Institute of Economic Affairs in London as an independent research and educational organization, which has by now published scores of scholarly studies on the operation or abuse of the free market. Today he is chairman of the Institute's board of trustees.

So, as doer and thinker, Antony Fisher has been something of a one-man Manchester School, long warning the English people in his time as Richard Cobden and John Bright did in the early 19th century. Cobden and Bright warned of the dangers of protectionism and interventionism – of the dangers of false theory. With the Irish potato famine in 1845, Parliament suddenly saw the light and switched to a policy of free trade.

So Mr. Fisher insists history does not have to repeat itself. He points, for example, to the failure of the rice crop in Bengal in 1770 and the worse economic policy failure of the authorities in immediately establishing price controls to prevent "profiteering." Prices were thereby precluded from rising; food disappeared and fully a third of the population died.

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In 1866 the rice crop failed again but, lo and behold, the Bengal government somehow remembered the lesson of 1770. Far from trying to check speculation, the government facilitated it by avoiding price controls and publishing far and wide information on rising rice and other food prices in the province. Rice and other food soon flowed into stricken Bengal and a national disaster was averted. Right theory and right policy saved the day. History did not repeat itself.

An Orderly Universe

Mises and Fisher thus are one in seeing a cause-and-effect, reason-and-action world. They would agree with Einstein, who once wrote: "I cannot believe that God plays dice with the world."

They would agree that the necessity to correlate correct theory with historical interpretation is a problem that not only impinges on historians but on virtually every walk of life. The doctor with the wrong theory can lose a patient. The investor with the wrong theory can lose his investments. The general with the wrong theory can lose a battle if not a war.

What, then, is right economic theory and policy? Antony Fisher reflects the free market thinking of Ludwig von Mises. Addressing himself to Britain, but very likely comprehending a larger canvas, Antony Fisher calls for ending all government monopoly and control.

Accordingly, over a period of years he would "demobilize" the British civil service, denationalize the post office, cut all tariffs and subsidies, terminate all exchange controls, end all forms of direct controls over prices and incomes, roll back the welfare rolls, make unions subject to the law of contract, adopt Milton Friedman's voucher system to reintroduce choice and competition in schooling, and reprivatize all nationalized industries.

Can Mr. Fisher, with his self-proclaimed "radical approach," win this new Battle of Britain? It all depends on whose theory prevails – i.e. which theory, right or wrong. In any event, thought is decisive. Choice is critical. And, inexorably, history will tell.

IDEAS ON LIBERTY

Why History Repeats Itself

Some modern zealots appear to have no better knowledge of truth, nor better manner of judging it, than by counting noses.

JONATHAN SWIFT

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DAVID A. FYFE

INFLATION: Harbinger of Monetary Upheaval

INTERNATIONAL monetary crises over the past quarter of a century, culminating in 1971 and 1973 United States dollar devaluations, not only have become fixed features of the financial scene, but seeming national curses as well, defying solution. It is incorrect, however, to offer the general public the misguided notion that these crises take place without reason or warning. Monetary crises have known causes; they are the results of economic cause and effect, as sure in terms of results as any other natural laws men acknowledge and respect. Economic history is filled with crises – currencies, and as a result economies, rising and falling over thousands of years from clearly understood, predictable causes.

No monetary crisis can be categorized as a curious thing. Instability in a monetary unit, or system, may not be well understood by the world's masses; but today the effects are felt everywhere, here and overseas. Monetary crises affect people directly; a devaluation anywhere temporarily restructures relative values in goods traded between nations. Within the country devaluing, the very act wipes out and marks down the value of savings and investments on a broad front. Devaluation is little more than the governmental declaration of partial bankruptcy. By fraud, through inflation, the point is reached where government formally requires more of its inflated currency units for an ounce of gold, raising the prices for all imported goods.

In the United States the fall of the dollar, by devaluation, followed a direct line of annual Federal deficits, the scattering of billions of dollars overseas, and a resulting inflation between 1945 and 1973 which destroyed 57 per cent of the dollar's purchasing power. In the 23 years prior to 1969 alone, foreign aid expenditures totaled 138 billion dollars – paid for

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largely through inflation. By the late 60's, foreigners held some 70 billion of our rapidly depreciating dollars overseas; and, seeing the dollar's value skidding, they accelerated their run, with our own cash, into United States gold reserves. So we stopped redemption of gold for dollars, but not till half the gold was gone. Now, only $11 billion in gold remains at our "official" devalued price of $42.22 per ounce.

When we stopped selling gold for dollars, there was only one course of action left to the holder of dollars abroad: come back in and buy us out. This they did either on the United States stock exchanges or, directly, by setting up their own companies on our soil. We have made all this a little more expensive to do by devaluing. Still, the number of dollars held out against us beyond our shores is staggering. For a failing currency, Washington's only answer was devaluation. There is never, of course, any serious talk there about stopping inflation – the real cause of our recent dollar crises.

Cutting the Tie with Gold

Our monetary crisis has its roots in a decision of some 40 years ago to cut the ties with gold. At that point, the ultimate end of silver redeemability in our currency, and the legislative actions removing all legal ratios of circulating currency to gold reserves, could easily have been predicted. When our currency was no longer directly convertible by a citizen into gold, the bars were down; government was free to inflate at will, and has done so ever since. The 1933 dollar is worth about 30 cents as of 1973, and the decline goes on.

The recent dollar debacle was *not* the result of any interactions between wages and prices as causative elements in inflation; wages and prices rise in response to government deficits and Federal Reserve System expansion of money and credit and are symptoms of the disease, but not the causes. Some economists link the dollar crises to faith in the free market as a substitute for a "managed" solution. But there has not been a free market money for years, and the so-called "managed" solutions have brought us to the current sorry state of muddlement and monetary chaos. Then, grasping at straws, some blame a lack of advance planning in economic activity to insure predictable relationships among world currencies. Planning cannot accomplish this. Elimination of inflation as a root cause would in itself impart the basic stability required to insure workable international currency relationships, particularly if cur-

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rencies were tied to something of value, like gold and silver.

Somewhere along the line the perspective became tilted. Noted economists advocate more controls – control of the divergency of wage/price behavior internationally, control of the so-called, but non-existent, wage/price inflation. To further confuse issues, the inconsistency of control policies from nation to nation has been cited as clouding the situation in world monetary affairs.

The implications are clear: more controls, plus more uniform application as a solution. This is merely to be blind to the results of long years of political control and distortion to currencies and economies in the so-called "free" world. The controls, and let us acknowledge the vast quantity imposed within the United States, have brought us to the present stage of near monetary collapse. At this point we are being assured, by some, that more of the same will solve the modern monetary dilemma.

What is needed is *no* controls, before the economic structure collapses or "blows out" from the weight of the load. The United States economy has survived a lot of dead weight and meddling with the underlying currency system that supports us all. But the economy has never had the invincible strength to survive long-term monetary depreciation through inflation, *in spite of its productive gains*. Today, as a result, values are "out of whack" for goods and services – and, ultimately, hard economic reality will restructure those values.

Scapegoats Sought

There are other common errors in addition to that of trying to lay blame for inflation on the wage/price spiral. Convenient scapegoats are found, often labeled as "other divergent factors"; fixed rates of conversion, and currency conversion rates which were tied to the dollar. This continues to ignore the underlying result of inflation at home and overseas, the lack of convertibility in the dollar to anything of value, and failure to keep our currency tied to some commodity with high market value: gold or silver.

Balance of payments deficits seem to be recognized by most economists as a major item in currency crises, which indeed they are. Erroneously, however, both the export of private capital and goods *and* military expenditures take the blame. This distortion is crucial. The private sector of United States trade has been highly productive in creating its own surplus. The problem of back-breaking deficits has arisen only

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after the *addition* of military and foreign aid costs to the trade equation. When these foreign aid and military expenses are added to domestic social programs, the total load cannot be met by direct taxation; inflation has been the literal evil alternative. And the plight of the dollar worsens. By 1974, some sources estimate the Euro-dollar holdings have risen to $100 billion. We can only envision a long, continued siege of foreign buy-out in our own land – the exact reverse flow, dollarwise, of what took place immediately following World War II. As the old saying goes, "It comes back to haunt us."

Another weak solution offered, and now in use, was the scuttling of fixed rates of exchange--letting rates "float." But a floating currency, by itself, is just as vulnerable to crisis when destroyed by inflation as any "fixed rate" currency. Until the last several years, the world *had* fixed rates. Yet, inflationary crises took their appropriate toll, making mockery of rates which were mythical. Surely the most foolish of times in the past few years must have been when the United States declared the dollar to be worth $35, then $38, to the ounce of gold while the free market in gold stood at twice that level. This kind of wishful thinking continues today with the Treasury gold level at $42.22 per ounce while the free market in gold is well over the $100 per ounce mark and continues to move upwards.

Inflation Must End

The economic instability caused by floating currency values will not be resolved until inflation is mastered. International currency fluctuations will not be brought under control until inflation is halted. Currency speculation, on all levels, will subside only when inflation is ended world-wide. Inflation will stop only when governments limit expenditures to within reasonable levels of taxation. Currently, most industrial Western countries take between 35 per cent and 45 per cent of personal income in taxes, and *even then cannot run a balanced budget at the national level.*

One of the most damned, least understood aspects of currency crises is that of speculation in and against various monetary units. Speculation is cast as both a villain and a cause. Overlooked is the fact that speculation is a legitimate function and a stabilizing force in world-wide money matters. If a government refuses to protect or stabilize the value of its own currency, why shouldn't the speculator guarantee a level, at a price, in order to impart that stability to future business transac-

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tions? And why deny business and trade the right to speculate for their own needs relative to future money dealings?

Economists who decry speculation overlook, conveniently, the fact that currencies rise and fall in relative value to one another because of governmental sponsorship of inflation. Eliminate inflation, and currency speculations will abate. Sadly, when some governments prove unable to master their own currency, not only do banks and businesses move to speculate against falling monetary units, but other *nations* holding the falling unit jump in to liquidate any weakening position.

We hear it said that gainers in monetary crises are the international money speculators who thrive on and create the crises. Gainers there are in speculative movements and crises, but it is not true that speculators and their actions *create* a monetary crisis. The monetary crisis is the child of inflation, born out of governmental muddling and national banking mismanagement of currency and credit. The seeds of crisis and destruction are sown in government's initial decision to remove *value* from the monetary unit. When gold and silver backing and convertibility are repudiated by government, money ceases to be a commodity in which citizens can have faith. At that point the inflation begins, the crises are foreordained, and speculators ultimately will ply their trade.

Foremost economists of the day indicate that the solutions to international currency problems lie in national policies. How true. But which policies? Floating currency rates versus fixed rates have nothing to do with the problem or solution. Again, either a fixed or floating currency may be destroyed by governmental inflation. Neither can government policies in price and wage controls, union legislation, capital flow control, or increasing of tax levels be effective in the foray. Existing taxation levels are today taking over 43 per cent of personal income in the United States. Taxes on personal incomes and corporations are squeezing out all conventional sources of capital funding for the business community. The question is: Where will the investment money come from when earning levels are insufficient to provide? And at what interest cost on the borrowing?

Devaluation Is a Curse

The devaluation "solution" relieves the pressure and penalizes the consumer by increasing the costs of imported goods. But devaluation is a curse in itself. Government assumes this to be a cure

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to the crisis and then, feeling the pressure reduction, begins inflating again, usually at a higher rate than took place before devaluing. Thus, the stage is set for the *next* currency crisis and a future devaluation. With inflation rampant in the Western nations we may indeed see an era of competitive international currency devaluations in response to repeated monetary crises — but only providing that the world somehow staggers on without major economic/monetary collapse. The international upheaval and its effects are increasing as inflationary rates rise across the globe.

The nonsense of the age is embodied in the statement that today no monetary solution exists. We are told that we must look to coordination of national economic policies for our salvation in the forming of stable, predictable exchange rates. But such coordination of policy is unlikely unless forced, and force is not a moral solution. Central banking monetary gyrations and manipulation by government, resulting in inflation, are at the root of the approaching catastrophe.

There *is* a monetary resolution now, just as there has been always. Any nation on earth can stand alone, relatively aloof from the world of monetary crisis, by returning to a monetary standard backed by and convertible into gold and silver — and by living within its means of direct taxation. It will always be this simple, though a price would have to be paid to return to this position. That price is the liquidation of inflated values.

Sound Monetary Policy

In reality, everything depends upon monetary solutions. As a futile response to crisis, the United States has called for a world monetary system scrapping gold as a peg, with Special Drawing Rights based on "average value" of a cross section of currency values, the SDR to become the world-wide unit of financial accounting. This is a play at the creation of an international monetary house of cards based on the false premise that gold is no longer a realistic standard of value. Valueless monetary systems are predoomed to fail.

On our own national level we don't even need a predictable *economic* policy. Rather we must have a fixed, predictable *monetary* policy which, by itself, will provide economic stability. Wage and price controls of either permanent or temporary nature will be, and are, self-destructive. Higher taxes will similarly destroy an economy by draining away capital availability in an inflation. Policies of public

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service employment to increase utilization of the unemployed, another proposed stabilizer, become merely one more element of instability and inflation; the public payrolls are now larger than we can afford to carry.

Rather than monetary "restraint," this nation will find ultimately there can be no stability without monetary restructuring on a basis of real value. Our house, monetarily, will be put in order for us if we choose not to do so voluntarily. Economic forces will at some point oblige the adjustment. There is the possibility of the Federal Reserve System precipitating the collapse by turning off the money/credit flow; this would be a repeat performance of actions taken in the latter part of 1928. Our inflation will have to end.

No so-called "cosmetic" surface paint job – continued demonetization of gold, patching up of Bretton Woods machinery, or Special Drawing Rights – will lead to other than continued economic chaos world-wide. Restraints on capital movements, whether instituted against individuals, banks, or multinational corporations, will also serve only to tie world economics and trade in knots. United States policy will be effective on the international scene only when our currency once again has "hard" value and we choose to exist, nationally, within our means. At that point the rest of the world could follow the lead or not, nation by nation, to its own liking. At least, under these conditions, we would stand for something worthwhile in the international limelight: financial stability and responsibility.

For what does this country stand now? Our government sponsors our own self-destruction through inflation. This is the era of planned expansion of money and credit through the Federal Reserve System to support massive Federal deficits. The resultant inflation is destructive of all social, moral, and spiritual values. Historically, no national sense of unity has ever withstood the corrosive and erosive effects of inflation. In the end, the national brickwork crumbles, the nation's social fabric is ripped and torn apart. If a country's currency has no fixed value, then for those citizens, neither does anything else in life. Prosperity and economic stability can be achieved in any country on earth through the exercise of strict monetary control and the establishment of a hard currency which is convertible into gold or silver. Less than this will only produce more of the same: national and international crises, monetary upheaval, economic chaos, and moral decline.

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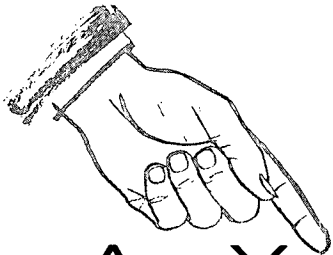
ERNESTO E. BLANCO, P.E.



Are You Concerned?

I STARED AGAIN at the bundle of nearly worthless paper money in my pay envelope and I wondered how many days it could carry my family into the dreaded month ahead.

Suddenly, in the midst of my despair, a flash of anger seized my mind as I recalled the scholarly analyses from academicians and economists asserting that the economy was basically healthy and vigorous. I could still hear their deep reassuring voices on radio and TV explaining that economic science was partly based on faith and mass psychology. And as I struggled to understand how a "science" could be based on faith, or how faith or psychology could help me pay my bills, I felt my anger bursting into rage.

For years in the past, some people called "progressive" economists had been preaching the political expediency of "deficit financing," "credit expansion," and the printing of paper money to "stimulate" progress, and "create funds" for a myriad of "popular" programs at home and abroad. They also preached that, since economics was based on faith, and currency was merely a symbol, it did not have to represent any real value. Consequently, the requirements of hard backing for the currency were legally abolished, and the remaining reserves spent in payments to shrewd foreign countries that refused to share our mystical economic beliefs. Coins containing silver were removed from circulation and replaced by worthless metal tokens of similar appearance.

I then recalled how inflation, a word I always associated with insolvent and backward countries, started to grow to alarming proportions. It seemed as if people, sensing the magnitude of the national swindle, were attempting to

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even the score by demanding more and more for their goods and services.

The rise in prices provoked a holy wrath among the "high priests" of the economy. Their mystical incantations soon gave way to outright threats and invectives, until finally they stirred a public clamor for government controls in an effort to conceal their massive fraud by shifting the blame onto their victims; i.e. laborers and producers. Timely and cleverly contrived national "crises" provided the rationale for pushing government controls.

The establishment of initial controls made further controls necessary. Arbitrary price ceilings rendered production unprofitable. Businesses failed, or were nationalized "in the public interest." Unemployment increased rapidly. Fuel and other critical goods became scarce. Transportation was choked. Black markets developed despite heavy penalties. And meanwhile, international commerce dwindled as tariffs and quotas were imposed to improve the "balance of payments."

From Bad to Worse

Familiar events? Perhaps, but that was only the beginning. Inflation, and the inevitable loss of national credit, forced a devaluation of the currency in international markets. And as the currency "floated" and sank deeper and deeper, the witch doctors of the "new economics," the "social sciences," and the "popular media" raised a cry for even stiffer controls to crush "profiteering," and called for a "sense of social responsibility," and a "spirit of sacrifice" to readjust to the "new lifestyles of a changing world."

The common citizen, like myself, felt as if caught between the jaws of a gigantic vise. On one side increasing taxes, inflation, scarcities, and unemployment; and on the other side the specter of total government control, advocated as "the only solution" to the disaster by those whose insane policies had caused it.

Public ignorance, confusion, and intimidation facilitated the imposition of an intricate machinery of socialist controls enforced by a vast parasitic bureaucracy endowed with police powers. "Emergency laws" were passed, and individual freedoms disappeared. All bank deposits were nationalized, and a "new currency" was issued. Electric power was rationed to only a few hours per day. The same was done with the water supply. Rationing booklets and food lines led to riots and widespread insurrections that were ruthlessly suppressed, and soon afterwards, the once prosperous nation plunged into the

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abyss of a modern totalitarian tyranny.

The Place: Cuba

But, don't get any wrong ideas. I am not describing events in Nazi Germany or Fascist Italy. The place was Castro's Cuba in the beginnings of the socialist revolution that was to push the country backwards more than a century in just a few months.

An industrious and progressive people, the Cubans had risen from Spanish colonialism and in the short span of 50 years had become the third richest nation in per capita income in the Hemisphere without forgivable foreign aid programs. The Cuban currency was frequently quoted above the American dollar in world markets, while social and labor legislation were among the most advanced in the world. All that progress, verified by international records, was wiped out by Castro's messianic socialism in a flash of time. The enterprising Cubans had failed to learn that freedom demands eternal vigilance, and that government regulation of the economy is the surest road to serfdom.

Today, when I look back at the events responsible for the Cuban tragedy, I shudder to see the ominous similarities with those occurring in the United States at present. I see the same debauching of the currency through the policies of "new economists" and scheming politicasters striving to "create funds" for partisan and international programs. The same "galloping inflation" solely resulting from their fiscal insanity. The same accusations of "greed" and "social irresponsibility" leveled against laborers and producers by those who have swindled them. The same sanctimonious academicians pontificating cures for the "sick society" they have helped to poison. The same legions of parasitic bureaucrats busily engaged in "fighting inflation" by taxing and regulating the nation into paralysis. And the same confusion and despair in the hard-working American people who see their taxes increasing, their money devalued, and their jobs dwindling, while inflation soars and essential goods become scarce under asphyxiating regulations stemming from contrived "crises."

A Contrived Crisis

The latest and boldest endeavor of the crisis makers has been to engineer an "energy crisis" in the nation possessing the largest potential energy resources and the most advanced technology in the world. Public ignorance, and honest concern for the environment, were abused to the limit by groups of activist charlatans who saturat-

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ed the country with pseudo-scientific information and frightening opinions about the ecology, provoking a flurry of hysterical legislation that stagnated fuel exploitation, refining capacity, and research. In addition to that, wasteful automotive emission controls, plus the ill-timed enforcement of the use of oil instead of low sulphur coal by power plants, severely increased the demand for petroleum products precisely at the time of legislatively obstructed supply. Nuclear energy, if ever mentioned, was equated by quacks to "an atom bomb in the backyard," and thus, misguided ecologists practically killed the cleanest form of energy available until the advent of solar energy. It is hardly surprising that we now face an "energy crisis" that not only has dealt a crushing blow to the American economy and to our military preparedness but will empower appointed officials to regulate even further the economic life of the nation.

To crown the present irrationality, our free enterprise system has now been conned into a debilitating collaboration with those whose only purpose is to destroy it, giving rise to the sad spectacle of a powerful but groveling prey insanely nurturing its implacable foes. Logic and reason have been replaced by "popular" sophisticated fallacies that insult human intelligence. Yet, few Americans dare express their anger lest others consider them ignorant or maladjusted.

As a victim of the Cuban tragedy, I don't give a damn about "popular opinions" any more. I found those opinions to be a disastrous substitute for plain common sense. Perhaps I will be attacked and discredited by some of our "citizens above suspicion" for exposing their frauds, but it is high time that innocent Americans stop blaming one another and focus their indignation on those who through their sophistic manipulation of economic, social, and diplomatic falsehoods have precipitated our present plight.

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The Great Objective of a Free People

HERBERT V. PROCHNOW

ONCE when I was visiting Asia, I received a cable from the Department of State asking if I would speak to an audience of business and professional people in Calcutta. This was an unusual opportunity to speak on what private enterprise had meant to the American economy. With political liberty and the incentives of private enterprise, our people have experienced a remarkable improvement in their economic well-being.

When I had finished speaking, a highly respected member of the audience arose and asked this question, "With the great economic progress the United States has had, do you believe that the people of your country are any happier than they were before?" This seemingly innocent question was almost certainly intended to destroy the merit of the entire philosophy which I had expressed. If people are no happier, why is economic progress important? If the people of India would be no happier with higher standards of living, what difference does increased economic well-being make?

For a moment I was not certain how to answer this question briefly and convincingly. I do not believe that happiness is the real measure of a nation's progress. However, I decided to accept the test he had chosen.

I was in a country with widespread starvation and malnutrition, a country in which the life span is far less than in the United States. I was in a country in which a large percentage of the people are illiterate. Within the boundaries of that country, which is two-fifths as large as the continental United States and has over 500 million people, there is widespread

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poverty, starvation and illiteracy.

I then said, "You and I can agree that man does not live by bread alone. However, a nation with substantial economic progress creates wealth, and with wealth come grade schools, high schools, universities, and hospitals. With wealth and economic progress come public utilities which supply electricity, gas, sanitation facilities and pure drinking water." I then asked this member of the audience, "Do you think a father would be happier if he knew his children could have pure drinking water instead of their being ill repeatedly because of impure water? Do you think parents would be happier if they knew their children had schools and were not going to grow up illiterate? Do you think men and women would be happier if there were medical schools and doctors and hospitals so that their life expectancy might be greatly increased? Do you think men and women would be happier if tens of millions did not suffer from malnutrition and starvation?" I could have added, "Do you think that the people of this city would be happier if the thousands who slept on the sidewalks last night because they have no homes could find at least modest places for shelter?"

I do not know whether the questioner found this answer helpful. However, I know that for the first time I saw more clearly what our people have sought to achieve with their economic progress. This is not, as the critics say, simply a money-grubbing nation, a raw, materialistic society. We make mistakes. We sometimes produce unwisely. We make products at times that serve little good. We consume some resources wastefully. But these are part of the price men and women in a society pay for freedom of choice. This is a small price to pay for such freedom.

Human Dignity Affirmed

I saw more clearly what the entire economic system is all about. I saw the meaning of a hundred million cars and trucks, tens of thousands of miles of railroads and pipelines, thousands of factories, stores, farms, banks, office buildings, airports, and utilities. As we produce and save and invest, we give man food and shelter. We give him hospitals for his health, and schools to free him from ignorance. We give him goods and services to improve his economic well-being. What we are really doing is to reaffirm our deep faith in the dignity of man and in his worth as a human being. We reaffirm that man was created by Providence.

In the humdrum of our daily ac-

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tivities, we sometimes fail to recognize the spirituality of secular affairs. We are so involved in the day's work, in driving trucks, constructing buildings and highways, running freight trains, laying pipelines, operating computers, plowing fields, dictating letters, maintaining office records, and attending meetings that we lose sight of the great objective of a society of free men and women. Reaffirming the dignity of man, his worth as a human being and as a creature of Providence – this is the noble purpose for which we strive. This is the deep underlying purpose that runs through our society. This is the foundation of a nation's greatness.

IDEAS ON LIBERTY

The Price We Pay

THE OFTEN NEGLECTED aspect of the good intentions of the welfare state is the cost of all this subsidy and so-called security. Someone has to pay, and it requires an ever-expanding police force just to collect the taxes. The creative and productive members of society are the ones from whom the revenues of government have to be drawn; there is no other source of goods and services. But to recklessly tax the fruits of a person's labor is a disservice to that person. To take away the earnings from a business is to leave it unprofitable and unattractive and to set it up for another of the failures that the government will be importuned to bail out. The higher the rate of taxation upon the most productive, the less their incentive to keep on producing at an extraordinary pace. This is why growth becomes such an aggravating problem in the welfare state, and why it appears that government spending is the only way to achieve future growth and productivity. And this is why a welfare government can't stand to see any potential source of revenue leave the country for more attractive opportunities abroad.

PAUL L. POIROT, "Why Capital Wants Out"

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The Puritan Experiment with Sumptuary Legislation

GARY NORTH

SUMPTUARY LAWS, as defined by one dictionary, are "laws regulating extravagance in food, dress, etc. on religious or moral grounds." No other aspect of Puritan social legislation during the first half century of New England life better testifies to the fundamentally medieval orientation of that culture. Yet the grandsons of these men became the Yankees — the sharp traders, mobile entrepreneurs, and practical inventors whose outlook on life was that of Ben Franklin's creation, *Poor Richard's Almanack*. This astounding transformation from Puritan to Yankee has fascinated historians for many years, and the fate of the sumptuary legislation serves as a kind of touchstone in tracing that transformation.

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The early Puritan communities were organic, tightly knit structures. The inhabitants were convinced that all men need direction in life. No single institution on earth was seen as possessing absolute sovereignty, of course; their intensely Protestant outlook forbade placing total trust in any human organization. Nevertheless, they believed that the various levels of the civil government did have basic responsibilities in regulating prices, the purchase of land, public utilities, and personal fashion. The ministers might advise the public officials on such matters, but it was the political authorities who were seen as being ultimately responsible for their enforcement.

The Question of Status

In the mid-nineteenth century, the British scholar, Sir Henry Maine, characterized the coming of the modern world in terms of the concept, "from status to contract." Seventeenth-century New

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England fits this outline beautifully. Members of the first generation of Puritans (1630-60), as well as the second generation (1660-90), were deeply concerned about the threat posed by open, voluntary contracts to the received medieval world view. Considerations of status were paramount in their minds, and it became increasingly obvious to everyone concerned that the New World was not going to be a place in which inherited concepts of personal status were going to flourish. There was too much cheap land, too many economic alternatives, too many "callings" – occupations – for the survival of traditional status concepts.

The essence of the Puritan idea of status is found in the Larger Catechism of the Westminster Confession of Faith, that comprehensive body of theology hammered out by the Puritan scholars of Cromwell's England in the mid-1640's. The question of status was basic to the Puritans' interpretation of the Fifth Commandment, "honor thy father and thy mother."

> By *father* and *mother*, in the fifth commandment, are meant not only natural parents, but all superiors in age and gifts; and especially such as, by God's ordinance, are over us in place of authority, whether in family, church, or commonwealth . . . . The general scope of the fifth commandment is, the performance of those duties which we mutually owe in our several relations, as inferiors, superiors, or equals.[1]

There is nothing innately reprehensible in the idea that men should observe distinctions among each other; "civility" and basic etiquette have always required as much. The idea that superiors ("parents") have duties to inferiors ("children"), and vice versa, is common enough. When the Soviet Union in the early years of its history attempted to tamper with this principle in family life and in military affairs, the whole fabric of Russian life was disrupted, and these short-lived experiments in supposedly non-status society were abandoned for the sake of survival. Society never really faces the question of "status or no status," but only questions of what kind of status and the locus of authority in the enforcement of status distinctions. It was here that Puritan New England encountered its difficulties.

The Larger Catechism summarized the accepted status ethic of Puritan culture. Both superiors and inferiors were given positive injunctions and negative warnings about respecting the duties and obligations of authority and sub-

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mission. Leaders are to expect the following from inferiors: reverence, respect, prayer, obedience, love, and honor. Inferiors are not to neglect their duties, rebel, curse, or mock their superiors. Superiors, on the other hand, owe their inferiors the following: love, prayer, counsel, rewards, chastening, protection. The sins of superiors are also listed: "an inordinate seeking of themselves, their own glory, ease, profit, or pleasure," and "inordinate" is understandably but unfortunately left undefined. Superiors are not to command anything unlawful from their inferiors, or correct them unduly, or to lead them into temptation, "or any way dishonouring themselves, or lessening their authority, by an unjust, indiscreet, rigorous, or remiss behaviour."[2]

In a family, church, or voluntary society, these injunctions can be more easily applied. But the medieval perspective of the Puritans can be seen in their unwillingness to limit the locus of the term "family." They were intent upon transferring the status requirements of the family to the civil government.

The Familistic State

A family is a limited entity. Members are born into it and grow to maturity; eventually they die. Sons and daughters leave to form new families, and this alters the relationship between parents and children. Parents grow old and sometimes feeble, so they have an incentive to rear children competently; their own future survival may depend upon the maturity and faithfulness of the children. The parents therefore have an incentive to avoid keeping offspring in perpetual childhood. The relationships are intensely *personal*, and therefore bounded by feelings of love, honor, loyalty, and directly threatened by feelings of jealousy, disrespect, or hatred.

The civil government, however, is a completely different institution, established for different ends, and governed by different rules. Its function is not to father children, rear them, promote their maturity, or care for them. The state's function is to protect men against violence, both domestic and foreign. Invasions are to be repelled; thieves and bullies are to be restrained. The state is to be ruled by formal laws that are predictable, applying to all members of society.[3] By its very nature, it is an *impersonal* structure; it is not to respect persons in the administration of justice. Ideally, men are to be ruled by formal civil law, not by capricious men. Formal law is to restrain the activities of the state itself, limiting its arbitrariness.

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A Hopeless Conflict of Interests and Lack of Harmony

In retrospect, it is not difficult for us to understand why the New England Puritans, no less than their English cousins, would find it difficult to assign limits to a familistic state. It is rather like children setting limits on fathers, especially when fathers confront their children not merely with the threat of violence, but also with the moral obligation of submission. Yet from the 1630's through the 1670's, this is precisely what Puritan leaders attempted to do. They wanted to permit godly men sufficient freedom to exercise their personal callings, for they well understood that if a man is personally responsible before God for his acts, he must be given wide latitude in exercising his personal talents without interference from other men, including leaders. Nevertheless, they also wanted to insure that the "family of God's people" would preserve its inherited status distinctions, and that peace and harmony would prevail as a testimony to the whole world. As the seventeenth century progressed, they were to find that the two goals were very frequently in opposition, and harmony was not maintained.

Modern commentators must be extremely careful not to read our contemporary views about status back into the seventeenth century — or at least not back into the first three quarters. There was no public outcry from "oppressed" inferiors, no colony-wide movement to redress grievances. There is little, if any, evidence that the "inferior sort" and their elected representatives, the deputies, were in fundamental opposition to the medieval view of status obligations. Puritan society was in reality a society made up of people who in England would have been regarded as the "middling sort" — sons of the lesser gentry, yeoman farmers, craftsmen, and others who had sufficient capital to make the journey. There were servants, however, and these could wind up as members of a truly lower class, but masters were expected (and even compelled legally) to provide some capital, usually in the form of tools and training, to departing indentured servants (who could be kept in service no more than seven years). Still, in every society there are higher and lower, richer and poorer, and the sumptuary legislation codified these distinctions. For many years, the subordinate population was willing to acquiesce in what the Larger Catechism required, an acknowledgement of their superiors "according to their several ranks, and the nature of their places."

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The Sumptuary Codes

The Puritan magistrates concluded, as had leaders in European society for centuries, that it is not always easy to identify members of various classes. In New England, for all intents and purposes, there were three levels – higher, middle, lower – but the law codes only recognized two. Puritan legislation borrowed a practice of the most familistic of all state structures, the military: uniforms. The Larger Catechism listed as one of the duties of inferiors the "imitation of their (superiors') virtues and graces," but no Puritan leader was so naive as to believe that such a requirement allowed the "inferior sort" to imitate their superiors' tastes in fashion. Thus, in 1651, both the magistrates and deputies of Massachusetts agreed on the following piece of legislation, one that is unrivaled in American history for its sheer medievalism – comprehensive, authoritarian, and thoroughly hierarchical:

> Although several declarations and orders have been made by this Court against excess in apparel, both of men and of women, which have not yet taken that effect which were to be desired, but on the contrary we cannot but to our grief take notice that intollerable excesses and bravery have crept in upon us, and especially amongst the people of mean condition, to the dishonor of God, the scandal of our profession [i.e., profession of faith], the consumption of estates, and altogether we acknowledge it to be a matter of great difficulty, in regard to the blindness of men's minds and the stubbornness of their wills, to set down exact rules to confine all sorts of persons, yet we cannot but account it our duty to commend unto all sorts of persons a sober and moderate use of those blessings which, beyond our expectation, the Lord has been pleased to afford unto us in this wilderness, and also declare our utter detestation and dislike that men or women of mean condition, educations, and callings should take upon them the garb of gentlemen, by the wearing of gold or silver lace, or buttons, or points at their knees, to walk in great boots; or women of the same rank to wear tiffany hoods or scarves, which though allowable to persons of greater estates, or more liberal education, yet we cannot but judge it intollerable in persons of such like condition. . . .[4]

Unless a citizen was of a good education, or a military officer, or a civil officer, he could not wear such clothing unless his estate could be valued at £200 or more, according to a "true and indifferent value." For a violation of this statute, a ten shilling fine was imposed.

A similar, though shorter, statute had been passed by the Con-

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necticut authorities a decade earlier.[5] This should not be understood as an indication of Massachusetts' late arrival in the area of sumptuary legislation. The wearing of lace by social inferiors had been the subject of at least two pieces of Massachusetts legislation in the 1630's. It was only to be used as a small edging (presumably only by the upper classes), and lace in general was prohibited from being worn extensively on any garment.[6] Special import taxes were placed on luxury items, "for preventing the immoderate expense of provisions brought from beyond the seas." Such goods as sugar, spice, wine, and tobacco were included. The tariff was 16% for direct purchasers, and 33% of the import price for retailers (thus making it more difficult for local retailers to compete in sales with the more distant, and presumably less compelling, London merchants).[7]

Tobacco consumption, which was regarded by Puritan leaders as another unnecessary excess, had been under fire [I couldn't resist] from some of the directors of the Massachusetts Bay Company right from its inception.[8] All four of the Puritan commonwealths – Massachusetts, New Haven, Connecticut, and Plymouth – passed numerous provisions placing restrictions on the sale and consumption of the "noxious weed." These prohibitions were not really status oriented; they were motivated by a number of fears. One, understandably, was fire. Boston was forever burning down in the seventeenth century, as Carl Bridenbaugh's *Cities in the Wilderness* reports in some detail. At one stage, Massachusetts prohibited the buying and selling of tobacco entirely, although it was legal to import it for re-export later.[9] They apparently thought it was all right to burn down other cities, if local merchants were to gain some profit in the transaction. Plymouth tried to ban its importation in 1641, but repealed the law six months later.[10] Connecticut's ban is the most amusing in retrospect. It was directly tied to the issue of personal health, but in the exact opposite of today's concern: no one under the age of twenty who had not already addicted himself to tobacco was allowed to buy it, unless he had a physician's certificate "that it is useful to him," and he had to present the certificate to the Court in order to obtain a license to purchase the weed.[11]

Time-Wasting

Taverns, brewers, and liquor retailers were under restrictions throughout the century. Indeed, some of these controls are as com-

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mon today as they were in the New England colonies. Men were not to waste precious time in taverns, the magistrates believed, so they went to considerable lengths to protect men from their own weaknesses. Then, as now, *licensing* was the primary means of control, and it was equally a source of public revenue. The annual licensing of taverns, said the Massachusetts magistrates, is inescapable, "Seeing it is difficult to order and keep the houses of public entertainment in such conformity to the wholesome laws established by this Court as is necessary for the prevention of drunkenness, excessive drinking, vain expense of money, time, and the abuse of the creatures of God. . . ."[12]

Although it seems incredible today, shuffleboard was regarded as a prime danger. There were not to be scenes of elderly men spending a leisurely afternoon in the park playing this Devil's game. Such games were a sign of idling – a waste of God's most precious resource, time – and they were especially prohibited in taverns and when practiced by servants and youths. The magistrates were willing to go to real extremes to stamp out games of chance and shuffleboard.[13] These regulations extended throughout the century, unlike virtually all other sumptuary laws, indicating a continuity of opinion against "vain pursuits." (It might be said that at least in New England, shuffleboard was not to be an old man's pastime because old men were always regarded as fully productive until they grew feeble; if a man could work, he was expected to. If shuffleboard drew the wrath of Puritan magistrates, Leisure World or Sun City or retirement centers in Florida would have been regarded by them as nothing short of Satanic – the worst sort of wastefulness of men's productive capacities.)

As in so many other cases, one colony did not participate in the sumptuary mania: Rhode Island.[14] But Rhode Island was not a Puritan commonwealth. Its founder, Roger Williams, had argued for the separation of church and state – not primarily to protect the state, but to protect the church!

The Problem of Social Mobility

The Puritans' emphasis on personal responsibility, thrift, hard work, the moral righteousness of all lawful occupations, careful accounting (moral and financial), honest dealing, the fulfillment of contracts (covenants), and their concern with the future, both heavenly and (especially from 1630-60) earthly, all combined to provide an atmosphere conducive to economic growth and personal

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wealth. Another important feature of Puritan thought that has seldom been recognized is the antipathy of Puritan preachers to the sin of envy. Samuel Willard, whose two decades of Sunday evening sermons on the Larger Catechism, *A Compleat Body of Divinity* (1726), stands as the *Summa* of Puritan theology, saw envy as a direct violation of the law of God. He set forth this standard to his congregation: they "ought not to envy, but to rejoice in the prosperity of their neighbors."[15] Willard's lengthy attack on the sin of envy stood as one of the longest expositions on the subject in English until the publication, in 1969, of Prof. Helmut Schoeck's crucial study, *Envy: A Theory of Social Behavior*. Cotton Mather agreed entirely with Willard's analysis: "It will have no good aspect upon us, if it should be so, that a leveling spirit gets so much head among us, that no man shall be in anything superior to his neighbors, but his very superiority shall make him obnoxious to envious indignities. . . ."[16]

Envy, as Schoeck has argued so incisively, restricts the incentives for and impetus to economic development. First, it discourages the free discussion among members of a society of a basic fact of life: *time*. Men do not discuss their personal futures if their goal is to *conceal* their aspirations, fortunes, and plans. Yet they must conceal such matters in a society motivated by feelings of envy. Second, under such restraints, innovations are unlikely, since no one wants to let his neighbors see how much better off a person is as a result of some advance.[17] Cut off discussion of the future, compromise men's orientation toward the future, penalize advancement technologically and personally, and the society in question will show few signs of economic growth.[18]

Personal and Social Growth

Puritan preaching, therefore, served as a stimulus to both personal wealth in one's calling and economic development for the community. Men were to be moderate in all things, and they were not to pursue wealth for its own sake. This was made clear by a century of preaching, from John Cotton to Cotton Mather to Benjamin Franklin. Nevertheless, there was nothing innately wrong with wealth in the Puritan view, however much a spiritual snare and delusion great wealth might become. So when men began to follow the tenets of the Puritan faith, they found themselves steadily increasing in wealth, both personally and culturally. This was to raise an absolutely baffling dilemma: how was the fact of social mobility to

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be reconciled with medieval categories of fixed status, implying defined place and function?

The Puritans were hardly the first people to face this dilemma. The millennium of institutional struggles over monastic reform in the Roman Catholic Church testifies to the traditional nature of the problem. From the day that St. Benedict set forth his eminently practical monastic rules – humility, hard work, thrift, patience, self-help, discipline – the monasteries that followed his guide faced the problem of economic growth. The monasteries had a tendency to get richer and richer. Then the original ideal of personal poverty was abandoned by certain abbots and monks, and pressures for reform came from the outside.[19] This pattern prevailed right down into the sixteenth century, when Henry VIII confiscated monastic property in the name of a higher morality.

In 1632, it was one thing for Gov. John Winthrop to challenge Thomas Dudley with respect to the latter's ostentation in adorning his home with wainscoting (a wooden paneling on the walls of a house). He had more justification, given Puritan standards, for such an act, for it was, in his words, "the beginning of a plantation."[20] Even so, it is not hard to understand Dudley's anger when Winthrop had the frame of his house removed. Dudley – who was to alternate with Winthrop as the Governor of Massachusetts Bay in the early years, and who regarded himself as the stricter Puritan of the two – objected, and Winthrop, in his own words, "acknowledged himself faulty" in taking this responsibility on himself without having consulted with other magistrates.[21] But after half a century had elapsed, we find ministers using the same old "wilderness condition" argument in order to justify the intervention of the civil government in community fashions. Sermons delivered in the second generation of New England would dwell on the graciousness of God in making New England into a fruitful land, and a few pages later would revert to the older "wilderness" pattern. It is unlikely that any newly rich citizen of Boston or some optimistic social climber would conclude that his, or his wife's, style of dress in some mysterious way constituted a grave deviation from a hypothetical "wilderness standard" of clothing – not in 1680, at least.

Unprecedented Mobility

The very success of the Puritans in overcoming the limitations of a wilderness disrupted the received medieval tradition of fixed or semi-fixed status distinctions.

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The rapidity of social change and the fluidity of social mobility baffled Puritan ministers. By medieval standards, the social mobility was unprecedented and incomprehensible. This was especially true of Boston, which was becoming the major port in the colonies. It was a society in which a former indentured servant could become a ship owner or a wealthy skilled craftsman. John Hull, one of the most respected men in New England, and surely one of the richest, had raised himself from very modest circumstances.[22] How was a magistrate to determine someone's social status, except in cases of extreme poverty or wealth?

Social status became as much of a problem for the second generation as the administration of a "just price" had been for the first. It was an elusive quality, even as the just price had been an elusive quantity, which refused to be catalogued or defined in written legislation. Yet it seemed as though this very *elusiveness* hypnotized Puritan preachers. They were certain that a proper definition could be found, but the perverse changes going on in New England society kept it concealed. In their eyes, the evil lay with the overly fluid society and not with the lack of rigor in the definition of status. Changes in fashion, imitation by members of the lower classes of their social superiors, the increase in affluence of the lower class as a class, this seemingly perverse unwillingness of men to keep in their original stations into which they had been born: here were signs of despair. Puritan commentators were convinced that New England society was in the process of dissolution; God was about to depart from the land.

Puritan Preaching Against Pride and Ambition

By 1674, Cotton Mather's father, Increase Mather, was convinced that the continual violation of the Fifth Commandment – the status commandment – was the chief sin of his generation. (That someone named Increase could take this position only serves to emphasize the irony.) Inferiors were rising up against superiors in the commonwealth – in families, schools, churches. It was not an uprising that he feared, but this incessant rising *up*. "If there be any prevailing iniquity in New England, this is it. . . . And mark what I say, if ever New England be destroyed, this very sin of disobedience to the fifth commandment will be the ruin of the land."[23] Samuel Willard agreed with Mather.[24]

The problem, as the Puritan divines saw it, was that men were

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not satisfied with their lot in life. Daniel Dension's last sermon, appended by another famous preacher of his day, William Hubbard, to Hubbard's funeral sermon for Denison, cities ambition as the curse of the land, along with envy: ". . . Ambition is restless, must raise commotions, that thereby it might have an opportunity of advancement, and employ envy to depress others, that they fancy may stand in their way. . . ."[25] Such ambitious men are unwilling "to abide in the calling, wherein they are set; they cannot stay for the blessing, nor believe when God hath need of their service, he will find them an employment, whatever stands in the way of their design, must give place. . . ."[26]

The clergy's practical problem was obvious: assigning explicit guidelines that would help the magistrate to decide in any given case whether a man's ambition was of the "restless" sort, or whether the individual was simply exercising newly discovered personal talents in some new calling. To argue, as Denison did, that a fixed calling is basic to God's plan of salvation for each saint, involved him in a form of feudalism-manorialism that was unlikely to survive the acids of the competitive market mechanism, with its concept of voluntary free labor, the right of private contract, and profit in terms of an impersonal price mechanism.

The Boston Synod of 1679 listed pride in apparel and the unwarranted imitation by servants of the dress of their superiors as early entries in its catalogue of over a dozen social evils that had brought miseries to New England.[27] Five years earlier, Increase Mather himself had announced the difficulty of distinguishing the dress of the regenerate from that of the unregenerate. It is a dark day when "professors of religion fashion themselves according to the world."[28] But given the inescapable and undeniable existence of human sin, what could be done to correct this problem? What *are* the standards of legitimate fashion for a godly society? Are they subject to change? Like the standards of economic oppression, the just price, and usurious interest, the standards of godly fashion were elusive.

Strange Apparel

Rev. Urian Oakes struggled mightily with this difficulty. He was convinced that human pride expresses itself in outward garb, "in affected trimmings and adornings of the outward man, that body of clay that is going to the dust and worms." Strange apparel is going to be punished, he said, citing Zephaniah 1:8 as proof. Yet

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some rich and lovely garments are all right (II Samuel 1:24):

> Nor am I so severe, or morose, as to exclaim against this or that fashion, provided it carry nothing of immodesty in it, or contrarily to the rules of moral honesty. The civil custom of the place where we live is that which we must regulate in this case. But when persons spend more time in trimming their bodies than their souls . . . When they go beyond what their state and condition will allow, that they are necessitated to run into debt, and neglect the works of mercy and charity, or exact upon others in their dealings, that they may maintain their port and garb; or when they exceed their rank and degree (whereas one end of apparel is to distinguish and put a difference between persons according to their places and conditions) and when the sons and daughters of Sion are proud and haughty in their carriage and attire in an humbling time, when the church is brought low, Jerusalem and Judah are in a ruinous condition, and the Lord calls to deep humiliation: This is very displeasing to God, and both Scripture and Reason condemn it.[29]

Oakes was preaching to the magistrates of the colony, in a 1673 election sermon, that annual ritual that helped to bridge the gap between church and state. But he did not go into specific details concerning the nature of the required legislation — election sermons almost never did — and so nothing was put into operation.

Oakes had put most of the Puritan theologians' opposition to the flux of modern life into one lengthy exposition. Excessive social change breaks down familiar communal standards, which in turn are supposed to help preserve members of differing classes in traditional occupations and in dress reflecting those occupations. The hierarchy of medieval life — a hierarchy reflecting a great chain of being from God to Satan — was being shattered by the winds of change. Men and women were increasingly unwilling in the late seventeenth century to accept the limitations of such arbitrary status concepts on the exercise of their property rights. What was "civil custom"? In a society which had grown from a tiny, rural colony in an uncharted wilderness to a thriving and productive component of a newly developed English trade system, civil custom was indeed the question. Customs were anything but fixed or universal. And after 1680, clerical opinion no longer carried as much weight in establishing or maintaining older customs. The very fluidity of fashion, where new styles could sweep through the community, reflected the lack of fixed standards, and this fact dismayed the preachers.

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Conclusion

Status distinctions were supposed to be respected by members of a Holy Commonwealth; this meant that each status required its appropriate fashions, manners, customs. The problem which the first generation had never been willing to consider was to make itself felt in the 1670's. In a society in which men are not only free to increase their estates, but in fact have a moral obligation to do so, should men not be allowed to improve their social statuses? If Puritan frugality, the rational use of time and resources, systematic accounting, personal responsibility, and a future-oriented view of the world are allowed to combine into an ethos favoring both individual and aggregate economic growth, then social mobility, upward or downward, should be characteristic of that society. Yet the Puritan theologians of the second generation did not reach such a conclusion. Therefore, given their unwillingness to accept the legitimacy of social mobility on such a scale, they had an obligation to spell out the nature of specific legislation, both ecclesiastical and civil, that would define the relationship between status and wealth, and between status and fashion. This was the great stumbling stone for the Puritan oligarchs. The ministers were never able to agree on such rules. The sumptuary laws went unenforced, relics of the first generation's confidence in status legislation. Fashions continued to degenerate, and finally, to the horror of many of the pastors, Puritan saints began wearing wigs! As far as the sermons of the 1670's are concerned, Worthington C. Ford's description holds good: "Massachusetts Bay was becoming degenerate, the older generation said. It is always becoming degenerate."[30] By the 1680's, the civil magistrates had abandoned the attempt to maintain medieval concepts of social status in an increasingly modern culture.

The older Puritan standards of social propriety had become the victims, not of Enlightenment rationalism or philosophical skepticism, but of operational Puritanism. Like the medieval monasteries, the Puritan commonwealth had prospered as a direct result of Puritan teachings. But unlike the monasteries, the society of late-seventeenth-century New England did not heed the call to reform itself. Indeed, the cries for reform were so vague, especially after the defeat of the Indians in King Philip's War (1675-76), that had any magistrate wanted to listen, he would have had nothing to hear in the way of specific reforms.

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The saints in the churches were as unwilling to abide by the older standards of dress and social status as those outside the churches who had neglected to "own the covenant" of church membership. Puritan sermons had warned of God's wrath in the face of hardheartedness, but when judgment came – in the shape of an Indian uprising – the Puritan military forces were victorious. Success was the one thing that the pessimistic jeremiad sermons of the second generation simply could not deal with successfully.

Religious pietism was sweeping the Western world after 1660, in England, the Continent, and the Puritan colonies. The former confidence in the future about the possibilities for the expansion of God's external kingdom – cultural, social, and political – had faded. Louis XIV, Charles II, and other secular monarchs were no longer interested in the expansion of the kingdom of God, but rather with their own political kingdoms.[31] A religious pessimism concerning the external affairs of the world set in for the next eight decades in New England, from 1640 until the Great Awakening of the 1740's, and by 1680, Puritan theologians and preachers knew that in all likelihood, their hopes concerning the Holy Commonwealth were not going to be realized.

Cultural and economic Puritanism, however, still operated, but on a private level. Individual saints saved, planned, built for the future. The Holy Commonwealth, while not so holy as it had been in 1630, was more mature. It had freed men from many of the shackles that had bound them for a thousand years. A new land was ready for the application of Puritan hard work and thrift. Political institutions, built as they were on the doctrine of the priesthood of all believers and the validity of covenants, provided the democratic mechanism for orderly transfers of political power. Economic institutions, built in terms of individual responsibility before God, now helped to release the energies of a diligent community of citizens. The old Puritan mistrust of concentrated political power, when coupled with the old medieval tradition of localism, created a hitherto unheard of economic freedom. What was socially inoperative in Puritanism had been largely scrapped by a later generation of Puritans. What remained was to stand as part of the foundation of the American republic.

• FOOTNOTES •

1 *Larger Catechism* (1647), answers 124, 126. I am using the standard edition published by the Free Presbyterian Church of Scotland (1970).

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2 *Ibid.*, ans. 127-30. Direct quote from #130.

3 F. A. Hayek, *The Constitution of Liberty* (University of Chicago, 1960).

4 Nathaniel B. Shurtleff (ed.), *Records of the Governor and Company of the Massachusetts Bay in New England* (Boston: State Printer, 1853), III, p. 243. I have cited the version approved by the more democratic deputies; the version approved by the full General Court is almost identical: *ibid.*, IV, pt. I, pp. 61-62. [Cited hereafter as *MCR*.]

5 J. Hammond Trumball and Charles Hoadly (eds.), *The Public Records of the Colony of Connecticut* (New York: AMS Press, [1850-90] 1968), I (1641), p. 64. [Cited hereafter as *CCR*.]

6 *MCR*, I (1635), p. 183; (1639), pp. 274-75.

7 *MCR*, I (1636), p. 186.

8 *MCR*, I, pp. 387-89, 403.

9 *MCR*, I (1635), p. 136; (1635), p. 180.

10 Nathaniel B. Shurtleff (ed.), *Records of the Colony of New Plymouth* (New York: AMS Press, [1855] 1968), XI, p. 38.

11 *CCR*, I (1647), p. 153.

12 *MCR*, IV, pt. I (1654), p. 287.

13 *MCR*, II, pp. 180, 195; III, p. 102; IV, pt. I, p. 20; *CCR*, I, p. 289; *PCR*, XI, p. 66.

14 On Rhode Island's absence of sumptuary legislation, see William B. Weeden, *Economic and Social History of New England, 1620-1789* (1890), I, p. 290. Weeden provides a summary of the various sumptuary statutes: pp. 226ff.

15 Samuel Willard, *A Compleat Body of Divinity* (New York: Johnson Reprints, [1726] 1969), p. 644. This was the largest book ever published in the colonies in its day — close to one million words.

16 Cotton Mather, *Concio ad Populum* (1719), p. 18.

17 Helmut Schoeck, *Envy: A Theory of Social Behavior* (New York: Harcourt, Brace & World, 1969), pp. 46-50.

18 On the importance of future-orientation to economic and cultural life, see Edward C. Banfield, *The Unheavenly City: The Nature and Future of Our Urban Crisis* (Boston: Little, Brown & Co., 1969).

19 Cf. Dom Cuthbert Butler, *Benedictine Monachism* (2nd ed.; London: Longmans, Green & Co., 1924), pp. 150-55. St. Benedict was totally opposed to private ownership among the monks: *The Rule of St. Benedict* (Westminster, Md.: Newman Press, 1952), pp. 85, 87, 127.

20 James K. Hosmer (ed.), *Winthrop's Journal: "History of New England," 1630-1649* (New York: Barnes & Noble, [1908] 1966), I, p. 77.

21 *Ibid.*, I, pp. 84-85.

22 Samuel Eliot Morison, *Builders of the Bay Company* (Boston: Houghton Mifflin, 1930), ch. 5.

23 Increase Mather, *The Wicked Man's Portion* (1675), p. 17. Preached in 1674.

24 Samuel Willard, *Useful Instructions for a professing People in Times of great Security and Degeneracy* (1673), p. 75.

25 Daniel Denison, *Irenicon*, attached to William Hubbard, *The Benefit of a well-ordered Conversation* (1684), p. 195.

26 *Ibid.*, p. 196.

27 Boston Synod, *The Necessity of Reformation* (1679), pp. 2-3.

28 Increase Mather, *The Day of Trouble is Near* (1674), p. 22.

29 Urian Oakes, *New-England Pleaded with* (1673), p. 34. An election sermon delivered in Boston in May, 1673.

30 Worthington C. Ford, "Sewall and Noyes on Wigs," *Publications of the Colonial Society of Massachusetts*, XX (1917-19), p. 112.

31 William M. Lamont, *Godly Rule: Politics and Religion, 1603-60* (London: Macmillan, 1969).

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Socialism Seeks Its Own Level

MELVIN D. BARGER

SOME MONTHS AGO, a popular news magazine featured on its cover a cartoon drawing of a shivering and bewildered Uncle Sam holding an empty Horn of Plenty. The picture told the story so well that the explanatory heading was hardly needed. It said, "Running Out of Everything."

It is certainly a fact that the United States has been running out of lots of things in recent months. There are growing shortages of energy, plastics, clothing, canned food, paper, furniture — well, you name it. In 1973, without experiencing a major war or a disastrous farm failure, the long-time Land of Plenty was suddenly transformed into the Land of Not Enough — and the problem was getting a lot of attention.

But it wasn't getting the kind of attention that is likely to solve the problem of growing shortages. Few of the experts who commented on the shortages were willing to put the blame on government intervention or to suggest that the plans for the planned economy weren't working out so well in practice. The distinguished economist Paul Samuelson, for example, said that the "reason for these shortages is the brute fact that (plant) capacity wasn't added on." He also noted that "industries like shortages because it's a seller's market." (One hopes that Mr. Samuelson knows that industries are usually buyers as well as sellers and thus face problems in any kind of a market.)

There are, of course, a number of secondary causes behind our present shortages. But the primary cause of the trouble is that the United States has finally passed a major turning point in its journey toward socialism. The government's role in the economy has become so extensive and so de-

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cisive that the country is beginning to experience the typical problems of other countries that have adopted socialism. Britain has had such troubles for years and continues to stagnate and to decline in world influence. It is not difficult to demonstrate that other countries have had similar difficulties under socialist governments.

Are We an Exception?

But what about a country such as the United States, which rose to great heights under a system that was largely capitalistic, and continued to experience great growth even after the government brought business and industry under fairly tight regulations and control? Why can't the United States maintain its present level of production and prosperity even while converting into a largely socialist system? Even if the rate of growth is slowed down or stopped altogether, why can't the present standard of living be maintained, with perhaps a few adjustments such as a decrease in the size of automobiles and a reduction in some food supplies?

The problem with this kind of wishful reasoning is that socialism tends to establish certain levels of output that have nothing to do with the individual goals and preferences of citizens. In most cases, socialism has the effect of lowering output and destroying the balances between production and consumption. At the same time, it must restrict liberty either by direct threats or by persuading individuals to forsake their freedom as a means of "promoting the common good." If socialism is adopted in a country that has previously had a relatively free market place, the economy will gradually tend to sink to a level somewhat close to what it would have reached had the country been socialistic from the very start. At the same time, the government will begin to use various means to curb liberty, so that individuals will eventually think and act in the manner of people who have grown up under socialism. To put it bluntly, socialism always seeks its own level, and our present difficulties are probably just a sneak preview of much more trouble to come.

In socialism's early years, its devotees insisted that their program would bring greater efficiencies in production and distribution. Early socialists often deplored the seeming duplication of facilities under capitalism; why have two stores across the street from each other when one outlet could be slightly enlarged to handle the needs of the entire community? It was also alleged that many people performed un-

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necessary and worthless tasks under capitalism, but that under socialism, each person would be assigned duties that fitted his personality and interests. At long last, it was said, people would work for the common good rather than for the narrow interests of capitalistic owners.

Production Low, but Other Benefits Claimed

But socialism in practice turned out to be far less productive than privately-owned enterprises. This did not, however, cause socialists to re-examine their entire philosophy; instead, they went on to claim benefits other than efficiency for socialism. Socialists such as George Bernard Shaw thought that socialism would provide complete equality of incomes, while long-time Presidential candidate Norman Thomas believed it would bring social justice and a more equitable use of natural resources such as petroleum and minerals. In recent years, socialists have tended to deplore the emphasis on high industrial productivity; they like to say that we have now solved our production problems and should be devoting our resources and energies to the solutions of urgent social problems.

One of the major difficulties with socialism, however, is that it immediately becomes embroiled in practical dilemmas when it takes steps toward establishing its program. In the United States and other Western nations, the electorate is never likely to give socialist-leaning candidates a sweeping mandate to completely convert the country to socialism in a few months or a few years. This fact of life has given the socialists no choice but to seek piecemeal changes, to create a "mixed" economy but not a completely socialist one. These interventionist changes have been introduced in the United States over the past 40 years under a number of names.

Every change, however, has brought problems that socialists would prefer to ignore. One major problem has been caused by attempts to tinker with the price system. Socialists have always hated the idea of free market pricing and have fervently clung to the belief that a managed system of prices and wages would result in a more just economy and a more balanced distribution of resources. They have argued, quite convincingly, that monopolies and oligopolies actually make arbitrary price administration decisions, while labor unions and companies combine to set wage levels. How much better to bring these processes under social control by authorizing the government to estab-

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lish wage and price levels in an orderly manner.

But the market place has a way of overlooking such arguments. If the government-administered price is too low, there is a rise in consumption and a drop in production (or at least a temporary withholding of goods from the market). If the price is too high, there is a decline in consumption and an increase in production. In either case, the behavior of the market is predictable. There is, in fact, almost no economics textbook worthy of the name that would dispute this. This basic, predictable characteristic of the market place can be observed in the marketing of everything from eggs to used cars.

Shifting the Blame

Unfortunately, the failures of price and wage control do not seem to sway a single socialist from his course. Quite often, the blame for the evil consequences is transferred to businessmen; the energy shortage, for example, has been blamed on the oil companies who seek higher profits and also want to drive out the independents. Another characteristic excuse of socialists is that additional controls are needed to make the price control system work properly. In most cases, the interventionists are really saying that nothing will work very well until they have an almost totalitarian control over the entire economy.

Why won't the socialists concede that a free market price system is necessary and that they should modify their own program to include it? This concession would undermine many tenets of the socialist faith. The socialists have long contended that the free market place is unfair and results in an inequitable distribution of goods and services.

The advocates of free enterprise, on the other hand, have insisted that the price system allocates goods and services through very complex exchanges based on consumers' choices and priorities. They also argue that any other method is bound to result in either surpluses or shortages, usually the latter. Socialism's bureaucratic price control and goods allocation system tends to reduce the total amount of goods and services; it must also restrict liberty in the long run. In other words, the public must do with less material well-being and personal liberty if it chooses the permanent price and wage controls that socialists desire.

Malinvestment

Another tendency of socialism is to channel investment funds into ill-advised projects that do not add to the productive capacity of

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the total economy. Malinvestments occur in any kind of economy, of course, but the privately-owned business system has a built-in way of limiting bad investments. A private company usually can raise funds only through stock issues, earnings, or borrowings. If these funds are subsequently spent on losing ventures, the management is likely to be replaced or the creditors will step in and take control. Thus, the managers of private business are under constant pressure to make profitable investments and capital improvements that will increase their firm's productive capacities. This process benefits the workers by increasing their productivity and real earning power, and it benefits customers by giving them better goods at lower prices.

But it doesn't work that way in the so-called public sector. Billions of dollars have been spent on projects that have simply disappeared into thin air. Additional billions have been spent on ventures that benefit only a limited number of people, and do not increase the number of productive jobs. Public funds have been spent on high-rise apartment buildings that had to be torn down in a few years, moon trips that have now fallen into disfavor, urban renewal projects that leveled whole sections of cities, and subsidized industries that continued to decline. It is argued that these ventures "put money in circulation," but this dubious objective could have been met simply by passing out currency on any street corner. A healthy, productive economy needs much more than merely "putting money in circulation." The money must also be spent on ventures that add to the total wealth and productivity of the country.

The Market, Or Else . . .

The conclusion to be drawn is that socialism and misdirected capital investments apparently go hand in hand. It is unlikely that a completely socialistic government will be able to provide sufficient investment funds for industry or to allocate them in the proper way. In the past, for example, Congress starved the United States Post Office of investment funds while spending billions on other projects of an irrelevant nature. This myopic policy, if applied to the entire economy, would result in a drastic decline in productivity in a very short time.

There is little evidence, however, that socialism is being discredited by its failures to work effectively in the American economy. If anything, the failures of socialist interventionism seem to provide the basis for new rounds of interventions. The delusion still

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persists that the Government can solve our economic and social problems by appointing a "czar" to supervise an ailing industry or by providing funds to support a certain cause. It is still not seen that the effect of this intervention must be to lower output and to inhibit the very market forces that can bring efficiency and order into our economic affairs. Neither is it understood that socialism cannot maintain the high standard of living and freedom that was developed by past generations in America. The price we must pay, in this new world of socialist intervention, is very high in terms of lost liberty and lowered productivity.

The eminent Ludwig von Mises saw the problem with astonishing clarity:

> The conflict between capitalism and socialism is not a contest between two groups of claimants concerning the size of the portions to be allotted to each of them out of a definite supply of goods. It is a dispute concerning what system of social organization best serves human welfare . . .
>
> In this conflict of opinions everybody must make up his mind and take a definite stand. Everybody must side either with the advocates of economic freedom or with those of totalitarian socialism. One cannot evade this dilemma by adopting an allegedly middle-of-the-road position, namely, interventionism. For interventionism is neither a middle way nor a compromise between capitalism and socialism. It is a third system. It is a system the absurdity and futility of which is agreed upon not only by all economists but even by the Marxians . . .
>
> Men must choose between the market economy and socialism. The state can preserve the market economy in protecting life, health and private property against violent or fraudulent aggressions; or it can itself control the conduct of all production activities. Some agency must determine what should be produced. If it is not the consumers by means of demand and supply on the market, it must be the government by compulsion.*

*Mises, Ludwig von, *Socialism*, Yale University Press, New Haven, New Edition, 1959 and 1962, pp. 542-543.

IDEAS ON LIBERTY

The Test

THE TEST for any theory of economics is whether it begins with the fact, or ends facing the fact, that what is not produced cannot be consumed.

It is The Test that will determine if any economic system can succeed or will fail.

J. KESNER KAHN

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Another Case History of a Government Failure

BERNARD H. SIEGAN

WHY would anyone want to invest in a losing venture? This is a question that should be considered by the proponents of national land use legislation who are willing to have the federal government spend $100 million annually to obtain "better" land use. The government has a uniquely bad record in accomplishing its programs; still Congressmen continually propose new and more costly ones.

Washington is usually unable to do in domestic affairs what its leaders want it to and say it will. Some of this is obviously due to corruption and incompetence, but probably most is attributable to the nature of the beast. One of the many difficulties is that, except perhaps in emergencies, representative government must necessarily respond to the continual and varied pressures and demands of its citizens, and these can alter considerably the course of its programs.

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Unlike corporate stockholders whose influence is limited to the extent of their stock ownership, individual citizens of the country can have vastly more power over its affairs. By participating and getting involved in local matters, individuals or groups constituting small minorities can exert substantial influences, even impeding plans and efforts of the highest elected officials.

An excellent case history of the exercise of such powers, and the ensuing problems presented government, is contained in a short book published last year by the Urban Institute of Washington, D. C., entitled *New Towns Intown*. It was written by Dr. Martha Derthick, a senior fellow at the Brookings Institution. The book describes the efforts of President Johnson beginning in the summer of 1967 to build housing developments for the poor in various metropolitan areas on Federal surplus land.

The government owned the land, and the legislative authority for funding and development was then in existence. At the helm was a

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president personally committed to carrying out the program and willing to commit the full powers of his office toward that end. He appeared certain of success and well he might be, given the circumstances at hand.

New Community Proposals — No Positive Results

Nevertheless, four years after the program began, it was almost a complete failure. Of seven announced proposals for new communities, three were dead and the future of the others was then in great doubt. In only one instance was a small amount of construction proceeding.

The record of each of the seven proposals is basically the same. Private citizens and organizations, together with officials at various levels of government responding to the pressures of their constituents, were able to prevail over the will of the administration. Another major problem was the conflict between the different government agencies involved in planning the program and using surplus lands.

One of the sites was a 335-acre tract, located a few miles from the White House in Northeast Washington, which the administration initially sought to develop with 4500 units, all but 800 intended for public and subsidized housing. It was to be a showcase development in the nation's capital, evidencing the country's concern for its less fortunate citizenry.

Presumably, in the Federal city, the administration would have maximum influence and impact. But its powers did not extend over local officials and citizens. Strong opposition soon arose, both from neighboring residents who wanted only middle class housing, and various other persons and organizations elsewhere in the city who demanded a host of changes in the plans.

A lawsuit was filed to obtain "meaningful" citizen participation. Virtually from the moment the program was announced, it went straight downhill; even a new school proposed for the community became the subject of controversy as to whether it should be "conventional" or "new and relevant"; and there were of course many opinions on that issue.

Dr. Derthick does not suggest that in any of the seven situations there were any "bad guys" seeking personal monetary gain; almost everyone involved ostensibly desired the best use of the land, but this generally meant adopting only his own preferred plan. Basically, the forces that blocked the program reflected the national concerns of that period.

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Perhaps in certain places some of those particular pressures may have receded over time, but they have been or will be replaced by others; comparable ones will always be with us, as well they should in a representative and participatory society.

Recognize the scenario? It is a preview of what can be expected to occur upon passage of a national land use bill. This legislation will involve much more planning, regulation and commitment at all levels of government, local, state and Federal. In addition, unlike the case of surplus land, the land that will be the subject of the lobbying, jockeying and maneuvering will be that of private citizens, not government owned. And infinitely more land will be involved than just seven sites.

Among other things, this situation does not bode well for the right of private ownership, since the owner will be just one of many, many divergent interests attempting to dictate its use.

Government clearly has limitations in carrying out its programs. Certainly legislators should take this into account in proposing new programs. There is absolutely no point in entering a milkhorse in the Kentucky derby. As Dr. Derthick states in her introduction: "The more government tried to do, the plainer became its inability to do very much."

IDEAS ON LIBERTY

Shifting the Slums

THE BASIC PREMISE on which the program [urban renewal] was started and the one which maintains its intellectual momentum is that urban renewal eliminates slums, prevents the spread of blight, and revitalizes cities. It is much more likely that the federal urban renewal program shifts slums instead of removing them, and, in so doing, may actually encourage the spread of slums and blight. The people who move from the urban renewal area are not really helped by the operation of the program. Some receive payments for moving expenses and advice in finding new homes. But after they move, they still have the same incomes, the same social characteristics, and the same skin color. The only basic change is that they are now living in some other part of the city.

MARTIN ANDERSON, *The Federal Bulldozer*

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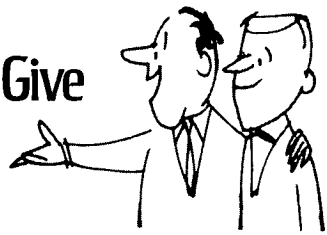
Give Thought How You Give



JAMES C. PATRICK

AMERICANS give away more every year than the gross national product of Austria or Greece or Norway. We give more to our churches alone than the gross national product of Chile or Egypt or Israel.

You will notice that I have not named the most poverty-stricken nations of the world. Gross national product is often referred to as GNP and it includes everything that the people of a nation extract from the ground and sell to others, such as coal or iron ore or diamonds or limestone or oil. It includes all that the people produce through cultivating the soil, such as corn or soybeans or bananas or flax or pineapples or rice. It includes all the services that people perform for each other and collect a payment, such as writing a will or filing a tax return or filling a cavity in a tooth or acting in a television show or giving a manicure or repairing a flat tire or preaching a sermon.

Some useful human activities are not included in GNP because there is no direct compensation for them that would make it possible to measure their value. The services performed by a housewife are an example. Long ago I learned something about how important the work is that is done by a homemaker and I am inclined to rank only a few other careers on the same plane with the homemaker. Possibly a physician qualifies, but only if he is a good one. A person who can sew a button on a shirt, and have the toast pop out of the toaster when the eggs are ready, and make a little girl's hair look nice when it is time to go to school, and bind up a man's ego when he has been chewed out by his foreman or had a contract cancelled by an important customer, is certainly part artist and part magician and part angel. And those are only a few of the things accomplished every day by millions of women in America and other countries, year after year. But normally there is no direct compensation for such artistry so it

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Mr. Patrick is Manager of the Chamber of Commerce in Decatur, Illinois. This article is from a sermon he delivered recently on Laymen's Sunday.

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is not counted in the gross national product. The same kind of work performed by a hired housekeeper would be part of GNP.

Preparing and delivering sermons is normally considered a useful human activity, although some sermons hardly meet that test. But, useful or not, a "free" sermon like this one does not become a part of GNP.

The point is that, while not all human activity enters into gross national product, the part that does is formidable in size. And we Americans give away more than the entire GNP of quite a number of the well-known nations of the world – some of them very prosperous nations like Austria and Norway and Israel.

American Philanthropy

We have been a generous people throughout most of our history. In 1960 the University of Chicago Press published a book entitled *American Philanthropy*, by Robert H. Bremner, who found evidence that in the last century there was more giving to the poor than was thought at the time to be good for them. "The principle of voluntary association accorded so well with American political and economic theories that as early as 1820 the larger cities had an embarrassment of benevolent organizations."

During the Civil War there was apparently an overabundance of relief to the families of service men, on the part of both voluntary associations and governments. Mr. Bremner wrote that "oft-repeated warnings of the dangers of unwise giving were forgotten for the moment as community and statewide relief organizations solicited contributions."

Up to the middle of the last century the greater portion of American schools and colleges were established by private philanthropy. Many were founded and operated by churches but, at the same time, establishing schools for poor children without religious affiliations became a favorite charity for public-spirited citizens. So many colleges were founded that the number exceeded the demand and over seven hundred passed out of existence before 1860.

Americans also gave voluntary foreign aid. During the 1820's voluntary committees collected and sent assistance to the Greeks and many Greek war orphans were brought to this country for adoption.

Mr. Bremner relates that "In the autumn of 1832, when the starving people of Cape Verde Islands rowed out to a ship hoping to buy food, they were astonished to learn that the vessel had been sent from the United States for the express purpose of relieving

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their necessities. Individuals and churches in New England, Philadelphia, and New York had heard of their need and had raised thousands of dollars for their assistance."

Voluntary Support

In the United States we have no direct government aid for churches. It is true, of course, that churches benefit by the exemption of their religious and educational facilities from property tax. They also gain by the fact that contributions to churches are deductible for income tax purposes. But essentially, churches have to get along on the gifts that come from their members and others who sympathize with the work the churches do. In colonial days the churches in a few of the colonies did receive government assistance, to be sure, but the period of remarkable church growth followed the ending of all established churches and the cutting loose of all government ties.

Throughout the world there are more than 985,000,000 members of Christian churches. It has been said that since the birth of Christ churches have been built at a rate that exceeds one a day. In Decatur there is one church for every 750 people. If that average is about right for the entire nation, then there must be more than 275,000 churches in the United States. Approximately 134,000 days have passed since the first permanent settlers landed in Virginia and established what became the Jamestown colony, so in this country we have created more than two churches a day by our voluntary gifts.

We do, indeed, seem to have heeded the admonition in II Corinthians 9:7 that the Lord loves a cheerful giver. To be sure, it is sometimes difficult to raise funds for purposes that some people consider highly important. But time after time, when a need has been dramatized so that people could understand it in terms of human suffering and want, they have responded generously.

Responsible Giving

Generosity can be helpful but it can also be harmful. We should give thought how we give. Children who are showered with toys and other presents sometimes end up frustrated and bored, taking for granted the bounty they enjoy, not interested in any of their possessions, not appreciating the generosity of the givers, and unable to understand that such plenty is uncommon in the world and that many of the world's people are in need. For need has been the common condition of mankind throughout history and still dogs

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the footsteps of hundreds of millions of the people on earth. Only a minority of the world's population has struggled free of the grip of poverty.[1]

We can help our children and we can help other people too much. We can help them to their own detriment. Not long ago a letter to Ann Landers discussed in the newspaper the training of boys to make household repairs. The writer emphasized that a father should teach his sons how to make minor repairs around the house — to lubricate appliances, change a washer in a leaky faucet, and the like. Many times, the writer said, it would be easier and quicker for the father to do the job himself rather than watch impatiently while his son fumbles and blunders at the job. But unless the son has the opportunity to perform the task himself, under the father's guidance, he acquires no experience and gains no skill.

The ability to spell rather well came to me early in life. Many times my own children have asked me how to spell a word and I have had to stifle the impulse to spell it for them and say, instead, "Well, now, let's hear you try it." Handled that way, most of the time they come fairly close to spelling the word correctly. At other times I have said to them, "Let's look it up in the dictionary," and then I let them find the word, with a little guidance, if necessary.

Self-Help Is Best

We do our fellow man no favor if we deprive him of initiative and creativity and deny him the opportunity to develop his self-reliance. The person who earnestly desires to help the poor "must recognize and respect as an individual the one he would love — which means to encourage him but in no way to interfere with that person's capacity, will, and effort to help himself."[2] The best help is that help that enables a person in need to provide for himself.

A few years ago one of our committees in the Chamber of Commerce was considering ways to help the underprivileged young black people in our community. One member proposed giving them some recreational equipment and a black man in our group promptly exclaimed, "Oh, no, don't *give* it to them. That injures their self-respect and they will not appreciate it as they will if they pay something for it."

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1 Henry Grady Weaver, *The Mainspring of Human Progress* (Irvington, N. Y.: Foundation for Economic Education, 1953) pp. 11, 12.

2 Leonard E. Read, *Who's Listening?* (Irvington, N. Y.: Foundation for Economic Education, 1973) p. 52.

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As I thought about the matter afterward I remembered how my mother dealt with the hoboes who used to come to our door during the depression years of the 1930's begging for food. She would never give them a handout until they had done some small odd job to earn it. I have come to understand her wisdom.

Emerson said, "It is a low benefit to give me something; it is a high benefit to enable me to do somewhat of myself."

A Chinese proverb says, "Give a man a fish and he will eat today. Teach him how to catch fish and he will eat for a lifetime."

Everybody is better off when the person in need can provide for his own wants. William Graham Sumner, the celebrated churchman, sociologist, and educator of the last century, pointed out that a human society needs the active cooperation and productive energy of every person in it. "A man who is present as a consumer, yet who does not contribute either by land, labor, or capital to the work of society, is a burden."[3]

"Every man and woman in society has one big duty," Sumner wrote. "That is, to take care of his or her own self. This is a social duty."

The person who fails in this duty throws burdens on others. He does not thereby acquire rights against others. On the contrary, he only accumulates obligations toward them.

But people who are helped unwisely come to assume that they have a right to what others have earned and produced. The history of the human race is one long story of attempts by certain persons and classes to obtain control of the power of the State, so that they can live out of the earnings of others. And when they do that, they commit an act of plunder, even if they have passed laws to make it legal. Not every legal action is a right action. Right is not determined by a head count. Like truth, it is often recognized and advocated at first by only a minority – sometimes, in the beginning, a minority of one.

Perhaps our greatest error in the field of charity or philanthropy has been to relinquish to governmental agencies this great responsibility, which is at the same time a great opportunity. And possibly one of the serious errors of the churches has been to support that action. Government is the organized force of society. There is Christian merit in giving voluntarily to help those in need. What Christian merit is there in voting to compel everybody, in-

3 *What Social Classes Owe to Each Other* (Caldwell, Idaho: Caxton, 1963) p. 19.

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cluding the unwilling, to pay taxes to help the needy? In the process we have created what is commonly called today's "welfare mess" and have developed a welfare syndrome with generation after generation living off the productivity of others and contributing little, if anything, to the general good.

So we should give thought how we give. Giving can create a class of beggars. Recall the streets of Jerusalem in the time of Jesus. Streets in many cities of the world are still populated by beggars, and panhandlers are fairly common even in American cities. During the summer of 1973 young Walter Reppenhagen spent the summer in Haiti as a Missions Volunteer working at the Baptist Seminary and the Baptist Hospital. Walt is the son of the pastor of Decatur's First Baptist Church and had just graduated from Millikin University. He wrote a letter back to the members of the church because they had made his trip possible. This passage reveals unusual perceptivity for a person of his youth: "One of the frustrations that all Americans face is not being able to really help the people as we would like. Giving money away is what many tourists have done. Unfortunately, this has caused an even greater problem in Haiti. Now, it is almost impossible to find a non-Christian Haitian who wants to be friends, just for the sake of friendship. So many have ulterior motives. They want money. They beg, con and plead for it. This factor alone is causing many Haitian ministers to leave their country."

So we must give thought how we give. It is vital, however, that we give. And let me say a word about the one who receives our gifts. You may recall that, in Acts 20:35 the Apostle Paul appealed to the elders of the church at Ephesus to remember the words of the Lord Jesus, how he said, "It is more blessed to give than to receive."

The act of giving implies that there is to be somebody to receive the gift. What Jesus said was that is is *more* blessed to give than to receive, not that it is blessed to give and not blessed to receive. There is no reason to attach a stigma to receiving a gift if the motives of the giver and the receiver of the gift are right.

The right kind of giving is good for the one who receives and for the one who gives. Just be sure your gift helps rather than harms the one who receives it. Emerson said "You will always find those who think they know what is your duty better than you know it." Do not heed them. Think for yourself. Give thought how you give.

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Tradition and Reform in Education

THE ESSAYS in Stephen Tonsor's *Tradition and Reform in Education* (Open Court, $8.95) were written during the several years of the student rebellion that was spawned at Berkeley, California, in the mid-Sixties, and they tend to vary considerably in the amount of passion that sustains them. Some of them seethe with a righteous anger; others are coolly argued. The four concluding essays concentrate on the special problems of Catholic and Christian education, but Professor Tonsor is no special pleader.

In most of the earlier essays in the book he extols a diversity that would allow his philosophical enemies to speak their pieces provided, of course, that a balance of Left, Right and Center makes room for alternative points of view. Tonsor does not fear cultural pluralism; he wants to promote a society in which children will be able to choose from a wide variety of schools and educational objectives. He does, however, insist on cultivating the idea of excellence – and this is what unifies the many disparate sections of the book.

Like William Buckley's *Four Reforms,* Tonsor's essays accentuate the procedural. The big basic reform that he advocates would concentrate on returning choice to our educational system, or systems. Far from being a pure libertarian or anti-Statist, Tonsor would permit the spirit of Horace Mann, the philosopher of the public school, to linger with us for a while. He is no ideological enemy of Federal or state support of school systems. Moreover, he champions a uniform system of

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testing elementary and secondary school pupils in both public and private schools to establish academic performance. This means that politicians must still keep an advantage which, in times of controversy, might confuse excellence with conformity.

But, with public education systems persisting everywhere, it is, with Tonsor, a matter of making some new beginnings. He wants to see the public school forced into competition with private schools and privately-marketed educational services. So, like William Buckley, Milton Friedman and Stan Evans, he is led to the voucher system. This would make pluralism, the widening of choice, an immediate possibility – and, as new private schools come into existence, the fight to keep the politicians from imposing their idea of a good uniform testing system on all types of school could be left to the future.

Full-Cost Education

Another procedural reform that enlists Tonsor's enthusiasm would be to establish full-cost education. This would tend to weed out the malingerers, the good-time Charlies and the dilettantes who now regard the campus life as a four-year vacation. To enable the talented and ambitious poor boy to avail himself of a college education, Tonsor would make loans available that could be paid off once the recipient had achieved a certain salary level after his graduation. Tonsor does not propose to discuss the "how" of financing the loans – he thinks this question would resolve itself once his principle has been accepted by university administrations throughout the country.

Along with vouchers and full-cost tuition Tonsor would insist on new procedures in adding to faculties. Ever since the New Deal, when young professors went "liberal" and Statist in droves, our faculties have tended to make acceptance of the new Leftist orthodoxies the first requirement for being hired. In the course of time nine out of ten faculty members in almost any university could be counted on to assume that there can be no limits to government intervention, that "society" must always take precedence over individual rights, that centralization in Washington is to be desired, that big business is organized robbery, and even that one must be a Democrat with a big D if one is to be trusted with the writing of history.

Unrepresented Minorities

Speaking of his own University of Michigan, Tonsor remarks in one essay that out of sixty-nine

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full-time members of its history department "we do not have a single professor whose primary study has been the field of religion in America." As for the economics department, it "does not have a single non-Keynesian among its tenured members." In such an atmosphere, so Tonsor asks, "is it really possible for either the student or the professor to arrive at the truth?"

Tonsor is not clear about the ways and means of compelling faculties to replace the homogeneity of the new collectivist orthodoxy with an across-the-board variety of doctrine. He does say, however, that the university does not belong either to the faculty, or to the students, or to any special pressure group in society. Since the "whole of society" owns the big state university, and since trustees are responsible for the private university, the implication of what Tonsor is saying is that boards of regents or university corporations should step in to compel the representation of all points of view in the composition of faculty departments. This is easier said than done, but if, in the case of the private university, rich or even medium-well-heeled donors were to insist, say, on balancing a John Kenneth Galbraith with a Hayek or a Milton Friedman in an economics department, we would be making a beginning at re-establishing pluralism.

Universities as Dumping Grounds

Tonsor, in his preface to his book, identifies himself with the Hoover Institution at Stanford. But when he was at the University of Michigan he spoke his piece with a passionate disregard of what the administrative overseers of the institution might think of him. During the period of the campus riots he accused Michigan of being led by men without vision or a sense of America's future. The University "rewards felons and penalizes the orderly." Its benefits were granted on the basis, "not of ability, not even on the basis of a color-blind equality, but on the basis of an irrationally conceived demand on public largesse." Broadening his criticism to include the college scene as a whole, Tonsor remarked that "for twenty years now our universities have become the dumping grounds for all our unsolved educational, social and political problems and university administrations have welcomed the development of this concept of the university as a public dump."

"Do you have an urban problem?," Tonsor asks. Then "take it to the university." "Do you have a psychopathic son or daughter?" Your solution is to "send him to

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the university." "Do you have a felon on probation?" If so, the "university is just the place for him."

The university, in short, has been a place for trying to solve every problem but the problem of teaching. In paying out immense sums for the Federal support of education, the American people have been had. Maybe the first procedural change should be to let the whole higher education shebang collapse by withdrawing public support. This would force a new breed of university president to rely on full-cost tuition payments, and we would soon have a new dispensation on the campuses, one that would be prepared to stick to teaching in order to attract the really serious students.

▸ WALTER KNOTT, KEEPER OF THE FLAME by Helen Kooiman (Fullerton, California: Plycon Press, 1973), 236 pages, $7.95.

Reviewed by Robert G. Anderson

THE SPIRIT of individual enterprise which is so much a part of our American heritage has never been more eloquently demonstrated than by the creation of Knott's Berry Farm. The Boysenberry, chicken dinners, and ghost town of Knott's Berry Farm represent a twentieth century family accomplishment unmatched by anything in this era.

Walter Knott, Keeper of the Flame, by Helen Kooiman is one of the most moving stories this reviewer has ever read. It is hard to judge greatness amongst those in our midst, but unquestionably Walter Knott fits the mold. This biography cannot help but give inspiration and faith to all who value individual liberty, and the potential for individual accomplishment that emerges from a heritage of freedom.

The final chapter asks, "What Makes Walter Knott Tick?" His accomplishments as a farmer, entrepreneur, builder, patriot, and philanthropist are legion. But certainly among his greatest satisfactions must be his success as a father. His only son summarizes, "I consider my Dad a great man, but for reasons other than what the general public would consider. He had one purpose and this great motivation. Money doesn't mean anything to him, but being a great builder did and does, . . ."

Walter Knott has certainly been a builder. If ever a man began with few of life's material goods, it was this man. As a fast maturing youngster – his father died

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when the lad was six – Walter Knott entered the business world selling produce from his gardening ventures. His love of farming led him into homesteading in the Mojave desert, sharecropping for a rancher in San Luis Obispo County, and finally to a partnership in berry farming at Buena Park, California.

The family worked together, Walter, Cordelia, and their four children, and the story of their achievements is one of the most remarkable testimonials to the free economy ever told. It will surely remain as a classic testimonial of what can be achieved by individuals within a free enterprise, private property society.

Perhaps the most fascinating theme of the book is Walter Knott's recognition of his debt to our heritage of political and economic freedom. Few men have provided a more enduring witness to this obligation than this man. His construction of an exact replica of Independence Hall, and the Liberty Bell which it houses, is detailed fully in the book – monuments to remind Americans for years to come of our heritage of free institutions.

Walter Knott understands the importance of a free enterprise society, and he also recognizes that such a society is being eroded away. The chapter entitled "The Farmer Makes A Speech," is reason alone for the purchase of this book. It provides an insight into the man as a brilliant philosopher, historian, and devotee of freedom.

When so much is written today of a critical nature about our country and its people, this book stands out as a refreshing change. To know what one man and his family have accomplished when free, gives hope to others, and more reason than ever to preserve the system that made it all possible.

Copies of **Walter Knott: Keeper of the Flame** are available at $7.95 from the Foundation for Economic Education, Irvington-on-Hudson, N. Y. 10533.

▶ AUGUST 1914 by Alexander Solzhenitsyn, translated by Michael Glenny (New York: Farrar, Straus & Giroux, 1972) 662 pp., $10.00.

Reviewer: *Martha Treichler*

IT IS the underlying message of this book that, for a country to be free, everyone in it must accept moral responsibility not only for what he does himself, but also for what those around him do. This demands an individualism of the sort rarely

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encouraged by Russian religion and culture.

The state church taught the Russian people to accept and endure rather than to question and to blame; consequently, they had no faith in the power of their own actions to affect their own lives. Religious superstition was resorted to by everyone from the peasants to the aristocracy as a way of avoiding unpalatable facts. One could always say, "We must submit to God's will," instead of placing blame where it belonged or accepting personal responsibility.

Then there was the political octopus. Bureaucracy makes people inefficient and negligent because it is inherently unwieldy and subject to corruption and incompetence. As one character says, "Intelligent, practical men don't govern – they create and transform. . . ."

Solzhenitsyn makes the reader sense the rumblings and awakenings of the revolution. There is, in the university, the optimism, altruism and naivete of those who felt that getting rid of the Tsar would cure everything. A student declares that "all we need today is an analysis of the contemporary social environment and material conditions . . . ." An older teacher responds, pointing out that this "would be so if the life of the individual were really determined by his material environment." The teacher explains, "the environment is always at fault, so all you have to do is change it . . . But there is more than environment, and therefore each individual has, perhaps in spite of his environment, a personal responsibility for what he does and for what other people around him do."

The social planners of the time were sure they could make Russia a Utopia if only they had power to put their reforms into effect. But Solzhenitsyn has one of his characters say, "The best social order is not susceptible to being arbitrarily constructed . . . the laws of the perfect human society can be found only in the total order of things. In the purpose of the universe. In the destiny of man." Therefore, "above all, each one of us is called upon to perfect the development of his own soul."

Social planners and revolutionists believe otherwise and are, therefore, ineffective. "No revolution ever strengthens a country," says a father to his radical young daughter. "A reasonable man cannot be in favor of revolution because revolution is a long and insane process of destruction."

There are somber battle scenes, and the author has high praise for the courage of the Russian soldiers who suffered so horribly and died in such great numbers because of the incompetence of their

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leaders. But he sees "their passive endurance" as a reason for their not having better rulers. "Russia is doomed to be governed by fools."

This book, too late for Russia, is still in time for us if we heed its warning. And if we cannot reverse the trend of corrupt bureaucracy by taking personal responsibility, why then, like Russia, we too are "doomed to be governed by fools."

▸ HOFFER'S AMERICA by James D. Koerner (LaSalle, Illinois: Open Court Publishing Company, 1973), 137 pages, $5.95.

Reviewed by Allan C. Brownfeld

WHEN *The True Believer* was published in 1951, the name of its author, Eric Hoffer, was unknown. Readers of the book recognized, however, that a powerful and original talent had made its appearance and were even more astonished to learn that Hoffer was a common laborer who had been blind in childhood, who had then recovered his eyesight and had proceeded to educate himself entirely by his own efforts.

Now, twenty years later, after six additional books, Hoffer is recognized as a brilliant aphorist and a provocative commentator upon men and events. In this new book, one of Hoffer's close friends, James D. Koerner, himself a distinguished author, attempts to satisfy the curiosity of Hoffer's readers as to his current opinion of things – and to stimulate the interest of those who have not yet encountered him. In both of these attempts he is notably successful.

Why, for example, have we not heard more from Eric Hoffer in recent years? The reason relates to the income tax laws and to Hoffer's feeling that the conduct of the Internal Revenue Service is inherently unjust and tends to stifle all initiative.

Hoffer still remembers with some bitterness how much of the income he earned in his best year, $180,000, went to the government. He states that, "I make more money when I don't write than when I do." At the end of that year he had about $11,000 left and he proposed to make it a clean sweep and give the rest to the University of California to establish an essay prize. Now he tries to shield his estate and his family from taxes by limiting his publication to a book every other year. As he puts it, "I am supposed to lay a tiny little egg every two years. I laid one in 1971, so the next one is now 1973."

Hoffer's is a firm voice for individualism and for freedom from coercion by the state. As he sees the American past, it was personal

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liberty – and the heavy burden of work that it imposes on each man – that gave the ordinary American the scope he needed to excel. Whether he used that freedom to build a giant fortune, join a hundred organizations, cut himself off from much of society, or pursue whatever else he had set his mind on, it was the combination of freedom and responsibility that, in Hoffer's view, made the American achievement possible.

For Hoffer, the freedom to be left alone, to be free of coercion by the state or society, has always been critical. When he first traveled from New York to California as a young man, he "looked around," as he puts it, "and I liked what I saw. This was a country in which you could be left alone . . . This country was made largely by people who wanted to be left alone. Those who couldn't thrive when left to themselves never felt at ease in America."

According to Hoffer's theory, the problem of coping with personal freedom is particularly severe in America because personal freedom is so complete. The burden of freedom, and the ways in which people try to cope with it, is a central theme through all of his writings.

Hoffer laments the decline of the work ethic and sees this decline in such phenomena as featherbedding by labor unions, in books full of misprints, in the surliness of clerks. "If we lose the sense of work and purpose," he says, "we will become a weak nation, a poor nation, and we will cease to be a fighting nation and that will be the end of us."

The increase in violent crime in the U.S. is, Hoffer believes, the direct consequence of a disabling fear that has overtaken most Americans. He believes that a stable society, like a stable individual, is the product of an equilibrium in which a tendency to crime and violence is held firmly in check by a more dominant force. Weaken or remove that force and evil will reign. In a free society that force is represented by the readiness of the majority to resist and punish the minority who are violent and who want to exploit any sign of timidity or weakness.

Hoffer cites the cliche, poverty causes crime, then comments: "That is what they are always shoving down our throats . . . Poverty does *not* cause crime. If it did we would have been buried in crime for most of our history and so would every other nation on earth." He observes that he has lived for most of his life with poor people who did not commit crimes. "Criminals cause crime," he declares, "And the minute we let them get away with it, we are going to have lots more."

Hoffer recalls the occasion when

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he was a member of the National Commission on the Causes and Prevention of Violence and a black spokesman appeared as a witness and said such things as, "We are full of rage" and he replied: "Mister, it is easy to be full of rage. It is not so easy to go to work and build something." When a militant white student would appear to complain about the administration's abridgement of the right of students to dissent, he would heatedly reply, "It is people like you who destroy everybody else's right to dissent. We have more democracy on the waterfront than radicals allow on the Berkeley campus."

To those who ask preferential quotas for minorities he responds that to treat anyone "more equal than equal" is to treat him as an inferior. He finds it astonishing that minorities demanding special attention fail to grasp the elementary truth that they are demanding to be patronized.

The arrogance of American "intellectuals" is a subject which brings forth a vigorous response from Eric Hoffer. To Hoffer, the touchstone of the intellectual is not a passion for truth but a passion for power, especially power over people. The sine qua non of the Hoffer intellectual is his conviction that he belongs to an educated minority whose duty it is to instruct the rest of mankind and if necessary compel them to be better than they are. According to Hoffer, one need not be particularly intelligent to be an "intellectual." He notes that, "In their hearts American intellectuals have always hated the ordinary man . . . They have never been able to accept the fact that the riffraff of Europe were able to tame the American continent and build the world's best and greatest nation largely without the guidance of intellectuals."

That, of course, is just a tiny bit of Eric Hoffer. His book is certainly a dose of good medicine for America.

▶ HOW TO TEACH CHILDREN *TWICE* AS MUCH by Allan E. Harrison (New Rochelle, N. Y.: Arlington House, 1973), 153 pp., $6.95.

▶ HOW TO TUTOR by Samuel L. Blumenfeld (New Rochelle, N.Y.: Arlington House, 1973), 298 pp., $9.95.

Reviewed by Melvin D. Barger

IT'S NOT HARD to build a case proving that the teaching efficiency of the public school system is low. Some of the system's most outspoken critics have been teachers, although teachers' remedies

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usually turn out to be a self-serving mixture of higher pay for themselves, increased Federal aid, lower teacher-pupil ratios, and an expansion of teacher certification programs. The hard-pressed taxpayer is becoming skeptical about these nostrums – or at least fed up because so many educational resources are producing so little in the way of results.

Allan E. Harrison is a maverick, a lone teacher who apparently thinks that present teaching resources would be more than adequate if properly used. He was almost forced out of the profession by the boredom and tension he found during his first few days in the classroom. Almost as a means of self-preservation, he improvised a teaching method using capitalistic principles in the classroom. It was to get him in hot water with his superiors later on, but he accomplished three things that have eluded other teachers in today's heavily certificated systems. Classroom discipline problems became minimal, teachers and students both came to enjoy the classroom work, and students made amazing academic progress that was measurable by improvements in standard achievement tests.

Harrison launched the system by organizing the class as a miniature economic community. His class created a monetary system, with each student being "paid" for academic performance and also fined for breaking classroom laws and for other acts of negligence. The students formed companies to offer the specialized services needed in the classroom. A bright student in arithmetic, for example, was the proprietor of the academic company in that subject, and could earn money by coaching the slower pupils. Other students became bankers, clean-up inspectors, school supply vendors, and class time schedulers. The system became so detailed that even trips to the restrooms and drinking fountains were scheduled on a commercial basis.

Although a few students balked at first, the Harrison system brought an almost magic transformation in the classroom. For the first time, Harrison's sixth graders were part of the action, with responsibilities of their own for the way the class was conducted. They made their own laws and determined fines for infractions; thus, violations became crimes against the entire class rather than games to outwit the teacher. Each student could move ahead at his own learning pace, and could wheel and deal in companies in much the same manner as traders in the commercial world. Some of them soared ahead to become junior tycoons.

Harrison used every problem as an opportunity to teach students

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something about the larger society. He permitted individuals the luxury of going into bankruptcy, but stipulated that they lost rights and privileges in the process. There were penalties for cheating and stealing. When students became destitute, a nonprofit foundation was formed to dispense welfare. Later on, the "indigent" students were subsidized with monies raised by a graduated income tax. This paved the way for a discussion about the competence of government to solve social problems, with the students finally deciding that individual responsibility was best in the long run. Then the class bully was permitted to become a Communist dictator. He promptly froze all bank accounts, confiscated property, and abolished the voting franchise. He was soon ousted in a bloodless coup.

Convinced that his system was working, Harrison obtained enthusiastic endorsements from his students' parents and a few professional colleagues. But he encountered resistance from superiors and others in the schools. It seemed that practical, workable ideas are not always acceptable in the public system. Instead, professional educators prefer innovations which offer "a lot of smoke and no fire." Here and there, however, a few teachers used Harrison's system and reported remarkable improvements in classroom morale and learning achievements.

Harrison has other ideas that go against the tide; for example, he doubts that low teacher-pupil ratios have much to do with teaching efficiency. He would introduce a merit system that would actually encourage larger class sizes.

The key to Harrison's system and educational philosophy is the rediscovery and teaching of self-reliance, and he obviously believes that every child already has a large capacity for learning that can be released under the right conditions. Harrison's system and the emphasis on self-reliance are not likely to win many converts among educators, but it's something that parents and other laymen can keep in mind when educational problems are being discussed. The most neglected teaching resource in every school is the students' own desires to learn and to shoulder individual responsibilities. This priceless resource has been there right along, and can be used whenever somebody has the courage to give children adult responsibilities. Harrison developed a system that does this, and there are probably other methods that also work. The question is, Does anybody in the public school system except Harrison and a few other mavericks really care about developing genuine self-reliance in children?

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HOW TO TUTOR is a related book, in the sense that it deals with further remedies for the educational deficiences of the public school system. The book is a detailed guide for tutors to follow in teaching children the Three R's. A large part of the book consists of lessons that must be learned in an orderly manner. The tutor is given practical instructions for the teaching of each subject, and is reminded of the importance of learning basic rules and other fundamentals that are being neglected in current instruction books. Blumenfeld believes that the new teaching methods harm the child by not giving him a good foundation in the alphabet, simple arithmetic, and cursive writing. He points out, for example, that arithmetic has become submerged in the teaching of math; yet it is arithmetic, not higher mathematics, that most people will need throughout their lives.

According to Blumenfeld, the important ingredients of good tutoring are patience, an understanding of the young mind, and a knowledge of the subject you are teaching. He believes that parents with only a high school education can become good tutors if they are willing and able to follow his instructional materials. Any community has large numbers of persons who could serve as competent tutors, even without formal teaching experience.

But Blumenfeld believes that faulty teaching methods in the public schools are causing children to learn some bad habits. He says that children who cannot learn via the deficient instructions in school classrooms tend to blame themselves for not learning; they are in no position to question the instructional methods being used by their teachers. Thus, if they fail to learn, they blame themselves, and the schools reinforce this view by insisting that the fault lies with the child, not the teaching methods. But almost any child can be motivated to learn once he is outside the classroom with its attendant fear of failure, boredom, and confusion. With good tutoring, the child no longer has the fear of being thought stupid, and he is not forced to move on to the next lesson

Blumenfeld's book is well-organized and presents a logical sequence of instruction in all three general subjects. It will be a valuable guidebook for the inexperienced person who wants to become a part-time tutor. Persons who read the book should get a copy of *The New Illiterates*, also by Mr. Blumenfeld, in order to understand the shortcomings the author finds in present instructional methods. Some teachers may feel that Mr. Blumenfeld's criticisms of the public schools go

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a bit too far. But every elementary school student should master the basic lessons covered in Mr. Blumenfeld's book. If children aren't learning this fundamental material in the classroom, something is wrong, and it is ironic that private remedies such as tutoring are needed to make up for costly deficiencies in the public school system.

▶ OUR ENEMY, THE STATE by Albert Jay Nock (New York: Free Life Editions, 1973, $2.95 paper).

Reviewer: Edmund A. Opitz

WHEN ALBERT JAY NOCK wrote *Our Enemy, The State,* in 1935, he was bucking the tide, and he entertained no false hope that his words would have any immediate effect on the course of human events. But his devotion was to the truth, and he was used to being out of step. So, with clinical detachment he dissected the drift away from social power toward state power, fully aware of his thankless task. Why, then, the painful effort of writing a book? For two reasons, Nock replied.

The general reason is that when in any department of thought a person has, or thinks he has, a view of the plain intelligible order of things, it is proper that he should record that view publicly, with no thought whatever of the practical consequences, or lack of consequences, likely to ensue upon his so doing. He might indeed be thought bound to do this as a matter of abstract duty; not to crusade or propagandize for his view or seek to impose it upon anyone – far from that! – not to concern himself at all with either its acceptance or its disallowance; but merely to record it. This, I say, might be thought his duty to the natural truth of things, but it is at all events his right; it is admissible.

The special reason has to do with the fact that in every civilization, however generally prosaic, however addicted to the short-time point of view on human affairs, there are always certain alien spirits who, while outwardly conforming to the requirements of the civilization around them, still keep a disinterested regard for the plain intelligible law of things, irrespective of any practical end. They have an intellectual curiosity, sometimes touched with emotion, concerning the august order of nature; they are impressed by the contemplation of it, and like to know as much about it as they can, even in circumstances where its operation is ever so manifestly unfavourable to their best hopes and wishes. For these, a work like this, however in the current sense impractical, is not quite useless; and those of them it reaches will be aware that for such as themselves, and such only, it was written.

There are two political institu-

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tions, Nock held, government and the State. Government is an agency of society limited to negative interventions aimed at protecting individuals against force and fraud; governments are established to secure persons in their rights and to punish any trespass on them. The State, on the other hand, intervenes positively in society; it dragoons people into the chase after various national goals, wars on poverty, provides welfare, pays out subsidies, offers cradle to grave security, and so on.

Nock was opposed to the State system, whatever name it assumes, but he was not an anarchist. He had no naive opinion of human nature and would have never subscribed to the view that men and women, free of all law and law enforcement, would settle down to live happily ever after in some latter-day Garden of Eden. Keeping government strictly limited and decentralized, he believed, is the way to preserve our liberties.

The State being what it is, it matters little who holds office and wields its inordinate powers. This truth is dawning on some persons today; but the general public, however disillusioned with politicians, still has faith in politics as the means of curing all the ills of society and improving the quality of life. Hopefully, people will someday realize that what counts is the overextension of State power, not who holds public office. The important thing is to refute statist ideas, whatever their guise, and Nock's book is a big gun in our arsenal.

Those for whom this book was written are scattered amongst us in sufficient numbers to warrant this excellent reprinting in paper of *Our Enemy, The State.* It was eleven years after the first appearance of this book that Caxton republished it. Arno Press brought out an edition in 1972; and now a group of young people embarked on a fresh publishing venture chose this as their first title. They have added an index and include a Nock essay, "On Doing the Right Thing." The book has an Introduction and a Bibliographical Essay by Walter E. Grinder; somewhat tendentious, but spirited. On the whole, a neat package.

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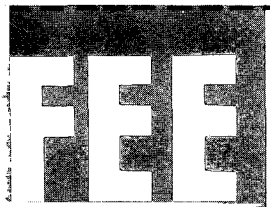

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The Great Objective of a Free People	Herbert V. Prochnow	338
The Puritan Experiment with Sumptuary Legislation	Gary North	341
Socialism Seeks Its Own Level	Melvin D. Barger	356
Another Case History of a Government Failure	Bernard H. Siegan	362
Give Thought How You Give	James C. Patrick	365
Books:		
Tradition and Reform in Education	John Chamberlain	371
Other Books		374

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